REGISTRATION DOCUMENT

2017

BUREAU VERITAS

CONTENTS

Components of the Annual Financial Report are identified in this table of contents with the sign AFR

REGISTRATION DOCUMENT

2017

INCLUDING THE ANNUAL FINANCIAL REPORT

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

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

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

- the 2016 management report and consolidated financial statements as well as the corresponding audit report set out on pages 133 to 148, 149 to 211 and 212 of the Registration Document filed with the AMF on March 24, 2017 under number D.17-0225;
- the 2015 management report and consolidated financial statements as well as the corresponding audit report set out on pages 127 to 141, 143 to 207 and 208 of the Registration Document filed with the AMF on March 29, 2016 under number D.16-0217.

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This document is a non-certified translation of the French Language Document de reference 2017, submitted to the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 27, 2018 in accordance with Article 212-13 of its General Regulation. It may be used in support of a financial transaction only where it is supplemented by a prospectus approved by the AMF. It was drawn up by the issuer and binds the signatories.

FOCUSED ON OUR CLIENTS, DRIVEN BY SOCIETY

our ID

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

We are a world leader in Testing, Inspection and Certification. Our mission is at the heart of key challenges: quality, health and safety, environmental protection and social responsibility. Through our wide range of expertise, impartiality and independence, we foster confidence between companies, authorities and consumers. For 190 years, our brand has been synonymous with integrity and trust, for the benefit of business and people.

our manifesto

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

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

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

€4.69 bn in revenue (2017)

~74,000 employees

400,000 clients

1,400+ offices & laboratories in 140 countries

6 businesses

Marine & Offshore

Agri-Food & Commodities

Industry

Buildings & Infrastructure

Certification

Consumer Products

A global presence

Americas

25%
of revenue
(including USA 10%)
20,500 employees
385 locations

Europe

34%
of revenue
(including France 15%)
17,800 employees
445 locations

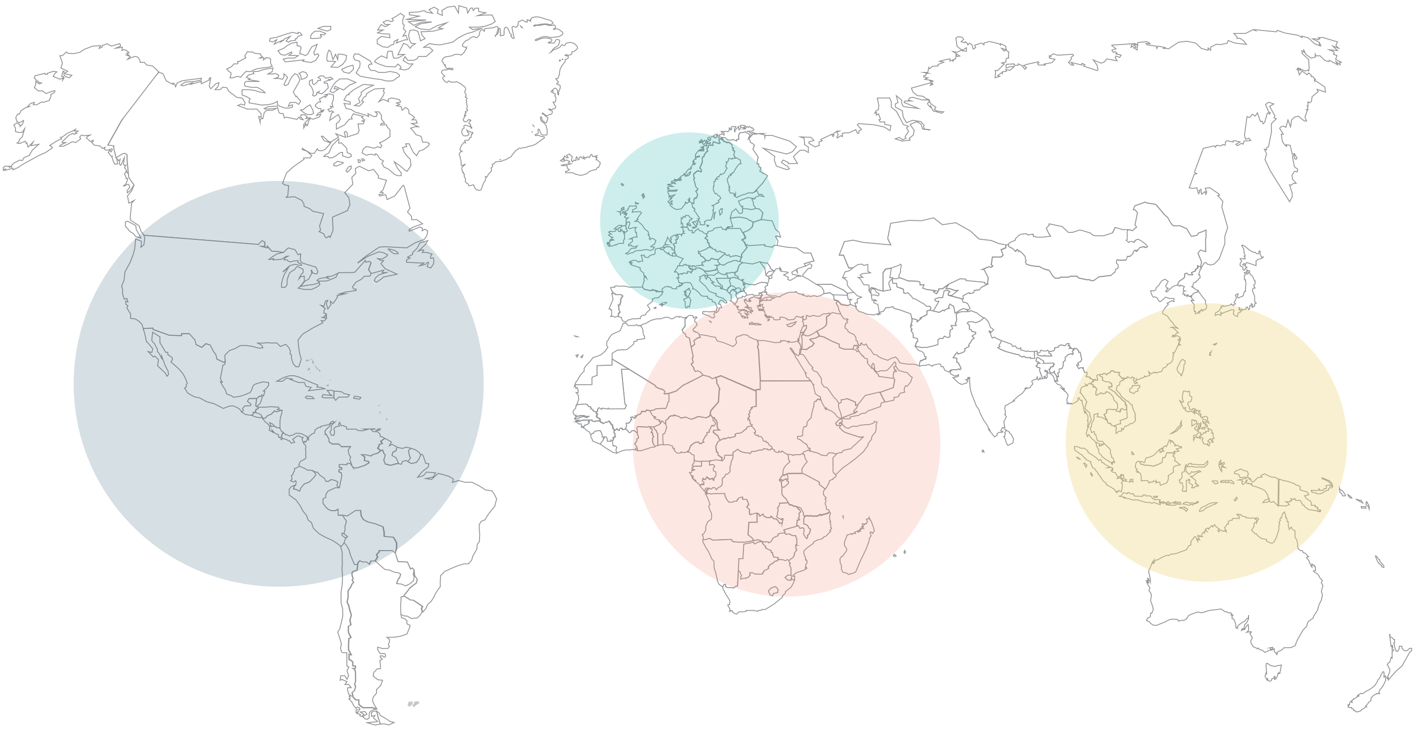
Africa, Middle East

10%
of revenue

6,100 employees
85 locations

Asia Pacific

31%
of revenue
(including China 17%)
29,000 employees
525 locations



Our business activities, our six business activities, organized by end market, ensure the best possible alignment between our teams' expertise and the needs of our clients in all sectors using a cross-functional approach. Our global customer focus helps reinforce our presence among major companies which also benefit from our local action.

Marine & Offshore

- In-service ships and ships under construction, offshore platforms and units, maritime equipment.
- Our role: to help ensure safety at sea with ship and offshore platform classification services. To provide technical expertise in order to assess and manage risks and improve performance.

Agri-Food & Commodities

- Oil and petrochemicals, metals and minerals, coal, agricultural and agri-food products, imported goods.
- Our role: to improve transparency and to verify the composition, quality and quantity of commodities throughout the value chain, from drilling to trading, and from farm to fork. To facilitate international trade and protect citizens from poor quality products by verifying import conformity.

Industry

- Oil & Gas, electricity, transport including automotive, manufacturing and processing industries.
- Our role: to maintain the safety, reliability and integrity of industrial assets throughout their life cycle, and assess compliance with national, international and voluntary QHSE[1] standards. To verify quality and help optimize the automotive supply chain.

Buildings & Infrastructure

- Residential and commercial buildings, industrial facilities, public infrastructure and equipment, in-service equipment in buildings and environmental analyses.
- Our role: to provide assurance that buildings and infrastructure in use or under construction are compliant and energy-efficient. To ensure business continuity and environmental protection by assessing the safety and performance of in-service facilities, and by analyzing air and water quality.

(1) Quality, Health and Safety, Environment and social responsibility.

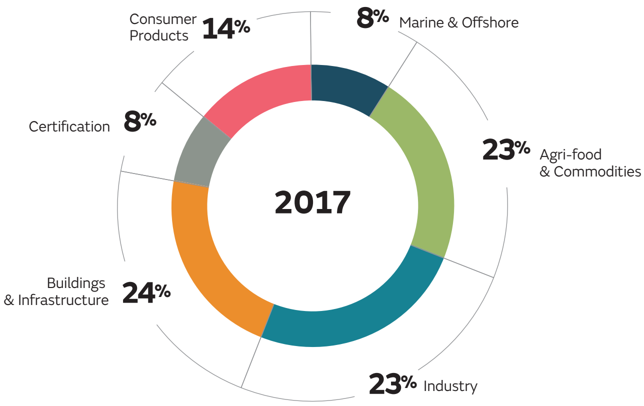
Certification

- International QHSE[1] standards (mainly ISO), industry management systems (agri-food, aeronautics, automotive, etc.) and sustainable development (CSR, climate change).
- Our role: to certify that quality, health and safety and environmental management systems comply with international, national or industry standards or company-specific standards in order to improve risk management and performance.

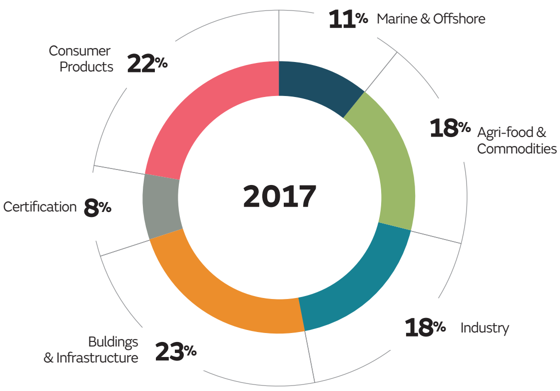
Consumer Products

- Textiles, toys, electronic appliances, smart devices, food, jewelry, cosmetics, sports equipment and automotive spare parts.
- Our role: to test and verify consumer product compliance, quality, safety and performance and improve supply chain efficiency.

Revenue by business



Adjusted operating profit by business



(1) *Quality, Health and Safety, Environment and social responsibility.*

our strategy

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 5 strategic pillars

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

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

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

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

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

(1) TIC: Testing, Inspection and Certification.

2 priority countries

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

our 4 key drivers

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

our 5 key Growth Initiatives

Our growth enhancement strategy is built on initiatives in sectors where Bureau Veritas can leverage its expertise and global footprint. These initiatives address the major trends impacting the economy and society today. Together representing one-third of the Group's revenue at end-2017, these five initiatives offer the Group an additional source of growth and help it achieve its diversification strategy.

1. **Buildings & Infrastructure**
Leverage leading global position in sizeable and growing markets.
2020 ambition: €350 million to €400 million[(1)]

2. **Opex services (Oil & Gas, Power & Utilities, Chemicals)**
Build recurring business models in fragmented markets, offering strong outsourcing opportunities.
2020 ambition: €300 million to €350 million[(1)]

3. **Agri-Food**
Expand in a large market driven by supply chain globalization, be recognized as a reference player.
2020 ambition: €250 million to €300 million[(1)]

4. **Automotive**
Capitalize on key expertise in supply chain services and connectivity to become a recognized player.
2020 ambition: €130 million to €150 million[(1)]

5. **SmartWorld**
Leverage our leading position, and address new needs arising from connectivity.
2020 ambition: €110 million to €150 million[(1)]

Our 2020 ambition

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

Reaching 5% to 7% of organic growth by 2020.

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

Generating continuous high free cash flow.

(1) Incremental revenue in 2020 versus 2015.
(2) As presented at the October 2015 Investor Days.
(3) At the 2015 plan initial exchange rates, as presented at the October 2015 Investor Days.

1

Presentation of the Group

Components of the Annual Financial Report are identified in this table of contents with the sign AFR

1.1 General overview of the Group

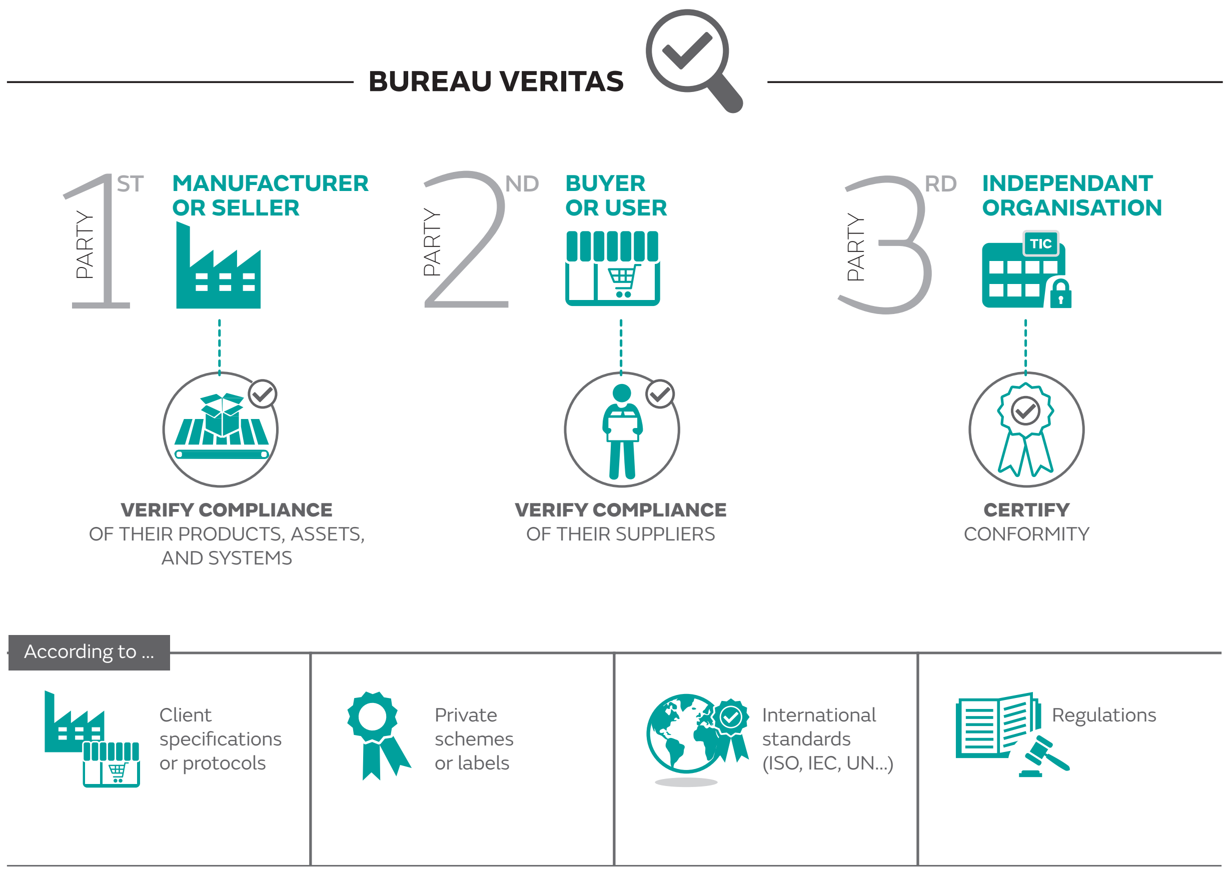
Mission

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

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

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

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



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

Obtaining a license to operate

Companies must be able to show that they are compliant with a large number of rules and regulations. Bureau Veritas offers them its in-depth knowledge of the regulations 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 regulations 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 so that they meet the standards of several countries. In doing so, they call on Bureau Veritas to carry out tests, optimize their test plan and ultimately reduce the time-to-market.

Reducing risks

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

Keeping costs in check

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

Protecting brands

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

Services

Bureau Veritas offers three main types of services:

- **laboratory and on-site tests** 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 rules and regulations;
- **inspection** involves verifying on-site 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 controls;
- **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 agri-commodities;
- **Systems**, such as:
  - conventional QHSE management systems (ISO 9001, ISO 14001, OHSAS 18001, etc.),
  - sector-specific QHSE management systems (automotive, aeronautics, food, etc.),
  - supply chain management including audits of suppliers.

Clients

Bureau Veritas has more than 400,000 clients. It operates in a wide range of industries, including transport 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.

Organization

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

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

In order to better capitalize on the market trends in which the Group operates, this autonomy increasingly coincides with the development of a transversal operational approach and global business management, based primarily on the Group's Global Service Lines. Bureau Veritas also has control procedures and reporting rules applicable across the Group as a whole. These rules and procedures are regularly updated to ensure that they are aligned with changes in Bureau Veritas' businesses, organization, processes and tools.

Since the Group's growth is driven by acquisitions that involve integrating companies and teams within a wide variety of practices and policies, Bureau Veritas has set up dedicated internal procedures to ensure the integration of companies acquired.

Changes in the organization of the Group's businesses

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

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.

In 2017, the Group continued to adapt its organization. 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. 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 four main regional hubs: Europe, North America, Latin America, and AMAP (Africa, the Middle East, Asia Pacific, Russia, Turkey and the Caspian Sea region).

The CIF division, which accounts for around 75% of the Group's revenue, is gradually adopting a matrix-based organization aimed at:

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

In light of this new, more market-focused organization adopted since 2016, Bureau Veritas has revised its segment reporting. As of January 1, 2017, the Group's reports on six businesses (as compared to eight previously): 1) Marine & Offshore, 2) Agri-Food & Commodities, 3) Industry, 4) Buildings & Infrastucture, 5) Certification, and 6) Consumer Products. This change helps enhance the understanding of its business portfolio. A more detailed description is given in section 1.6.1 – Change in segment reporting for results of this Registration document.

A brief outline of the six businesses is provided below. A more detailed description is given in section 1.6 – Presentation of business activities of the Registration document.

Marine & Offshore

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

Agri-Food & Commodities

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

Industry

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

Buildings & Infrastructure

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

In-Service Inspection & Verification (Opex services)

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

Construction (mainly Capex services)

Bureau Veritas helps its clients manage all quality, health, safety and environmental (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 works 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 with 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

The Group's support functions are under the responsibility of certain Group Executive Committee members.

Since January 1, 2017, central support functions have been represented on the Executive Committee by:

- Philippe Donche-Gay, Senior Executive Vice President, who is responsible for reinforcing the Group's sales and client culture, for supporting the roll-out of Growth Initiatives and for improving agility and productivity through digitalization and operational excellence;
- Nicolas Tissot, Executive Vice President Finance & Legal, in charge of finance, tax, internal audit, acquisitions support, investor relations, legal affairs, risks and compliance;
- Xavier Savigny, Executive Vice President Human Resources.

1.2 Selected financial information

The tables below set forth information taken from the Group's audited consolidated financial statements for the financial years ended December 31, 2015, 2016 and 2017, which were prepared in accordance with International Financial Reporting Standards (IFRS).

This information should be read and considered in conjunction with the Group's audited consolidated financial statements and the notes thereto presented in Chapter 5 section 5.1 – Consolidated financial statements and Chapter 4 – Management report of this Registration document.

SELECTED INCOME STATEMENT DATA

(in millions of euros)	**2017**	**2016**	**2015**
Revenue	4,689.4	4,549.2	4,634.8
Adjusted operating profit[(a)]	745.5	734.9	775.2
Adjusted operating margin in %	15.9%	16.2%	16.7%
Net financial expense	(103.7)	(86.5)	(89.3)
Net profit attributable to owners of the Company	308.0	319.4	255.3
ATTRIBUTABLE ADJUSTED NET PROFIT[(a)(b)]	**416.1**	**409.0**	**420.3**

(a) Indicators not defined by IFRS.
(b) Details of attributable adjusted net profit are provided in section 4.2.7 of this Registration document.

RECONCILIATION OF OPERATING PROFIT WITH ADJUSTED OPERATING PROFIT

(in millions of euros)	**2017**	**2016**	**2015**
Operating profit	**606.3**	**609.7**	**576.9**
Amortization of intangible assets resulting from acquisitions	77.1	79.5	86.7
Restructuring costs	57.1	42.6	20.8
Acquisitions and disposals	5.0	3.1	0.8
Goodwill impairment	-	-	90.0
ADJUSTED OPERATING PROFIT (AOP)[(a)]	**745.5**	**734.9**	**775.2**

(a) Indicators not defined by IFRS.

SELECTED CASH FLOW DATA

(in millions of euros)	**2017**	**2016**	**2015**
Net cash generated from operating activities	**581.2**	**594.4**	**706.1**
Purchases of property, plant and equipment and intangible assets	(142.3)	(156.6)	(169.4)
Proceeds from sales of property, plant and equipment and intangible assets	8.9	10.7	3.8
Interest paid	(98.2)	(86.0)	(78.4)
FREE CASH FLOW[(a)]	**349.6**	**362.5**	**462.1**

(a) Indicators not defined by IFRS.

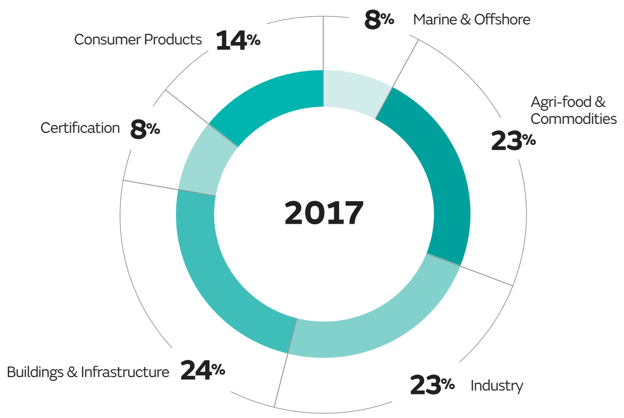
SELECTED STATEMENT OF FINANCIAL POSITION DATA

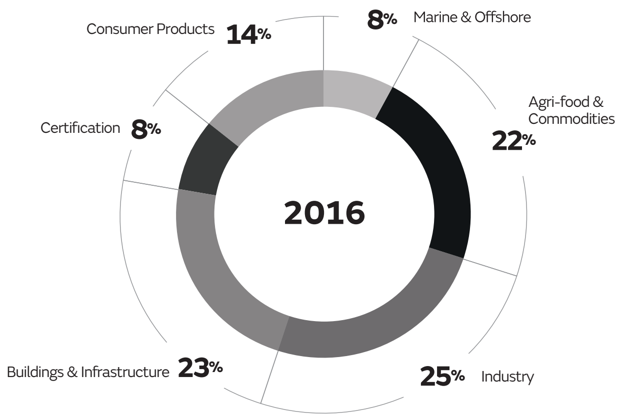
(in millions of euros)	2017	2016	2015
Total non-current assets	3,354.3	3,401.4	3,146.3
Total current assets	2,015.5	2,693.8	2,010.9
Total assets	**5,369.8**	**6,095.2**	**5,157.2**
Total equity	1,032.7	1,243.0	1,124.9
Total non-current liabilities	2,809.9	3,040.5	2,798.0
Total current liabilities	1,527.2	1,811.7	1,234.3
Total equity and liabilities	**5,369.8**	**6,095.2**	**5,157.2**
Net financial debt[(a)]	2,084.7	1,988.3	1,867.0
Currency hedging instruments (as per bank ratios)	9.7	8.1	(4.3)
ADJUSTED NET DEBT[(b)]	**2,094.4**	**1,996.4**	**1,862.7**

(a) *Indicators not defined by IFRS. Net financial debt is defined as the Group's total gross debt less marketable securities and similar receivables and cash and cash equivalents, as indicated in section 4.3.2 of this Registration document.*
(b) *Net financial debt after currency hedging instruments as defined in the calculation of bank covenants.*

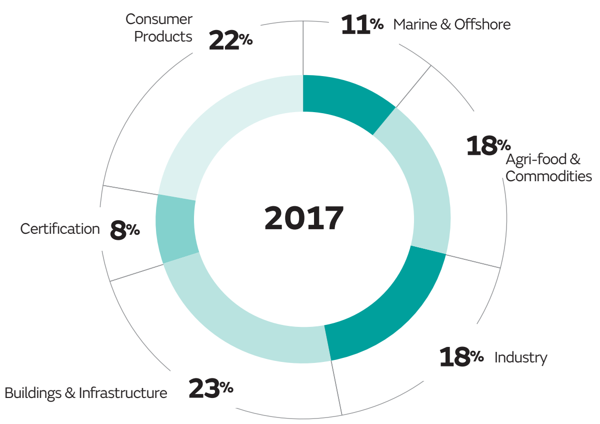
Revenue and adjusted operating profit by business

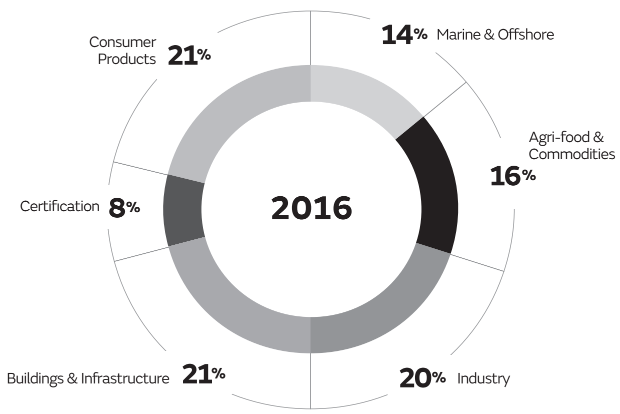
REVENUE



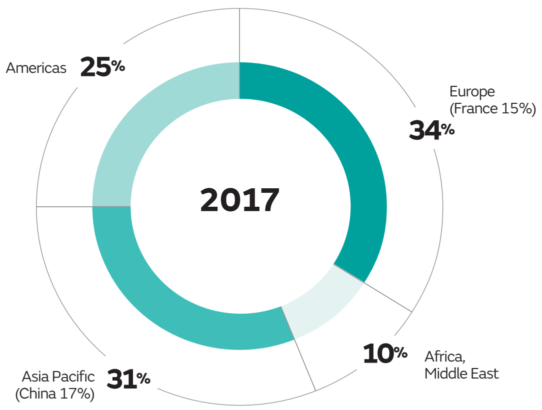


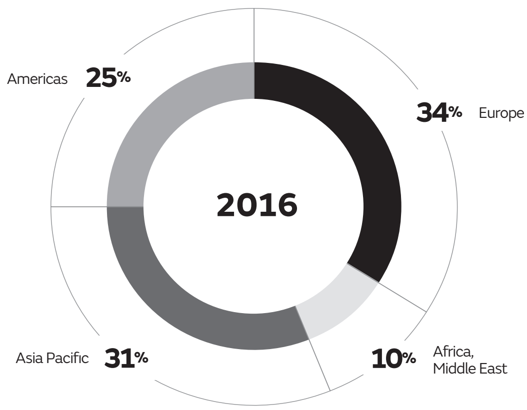
ADJUSTED OPERATING PROFIT





Revenue by geographic area





1.3 History

1828: Origins

The "Information Office for Maritime Insurance" was founded in Antwerp, Belgium, in 1828 to collect, verify and provide shipping underwriters with information on the condition of ships and equipment. Renamed Bureau Veritas, the Company transferred its head 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 controls 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 US. 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 US, the UK, Australia and Spain.

2007: Initial public offering (IPO)

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

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

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

2015: New strategic roadmap

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

2017: 2020 ambition reaffirmed

In December 2017, the Group organized a two-day Investor Days, during which it confirmed that the execution of its 2020 strategic plan was well underway and had already delivered positive results. It showed that the five Growth Initiatives launched to boost the Group’s development in Buildings & Infrastructure, Opex services, Agri-Food, Automotive and SmartWorld were reporting high single-digit growth and that the base business was now stabilizing after having been faced with challenging market conditions. Bureau Veritas highlighted that it had achieved 40% of its external growth ambition as outlined in its strategic roadmap through to 2020. It also announced that it was stepping up its digital transformation through key partnerships in order to bring its clients cutting-edge technologies in a wide range of areas such as inspection, predictive maintenance, data privacy and cybersecurity.

Evolution of the shareholding 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, Wendel and the shareholders of Poincaré Investissements reached an agreement for the sale to Wendel of 100% of the capital of Poincaré Investissements. After this transaction was carried out at the end of 2004, the Wendel Group held 65.9% of the capital and voting rights of Bureau Veritas.

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

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

At December 31, 2017, the Wendel Group held 40.08% of the capital and 56.76% of the exercisable voting rights of Bureau Veritas.

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

1.4 The TIC industry

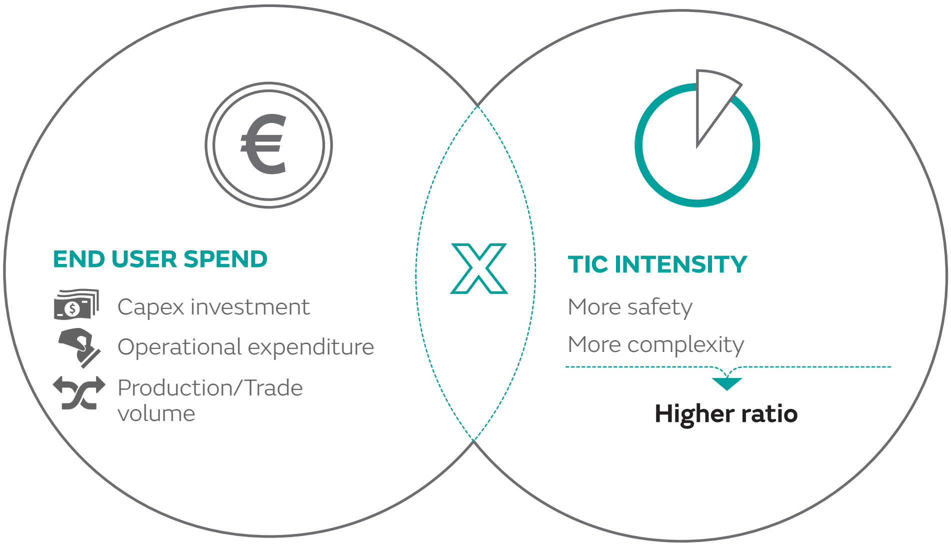
To the Group's knowledge, there is no comprehensive report covering or dealing with the markets in which it operates. As a result, and unless otherwise stated, the information presented in this section reflects the Group's estimates, which are provided for information purposes only and do not represent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

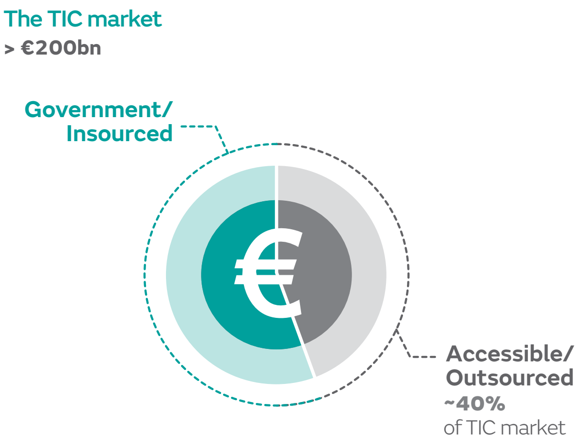
1.4.1 A market worth an estimated €200 billion plus

Inspection, certification and laboratory testing services in the areas of quality, health and safety, environment, 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.





Source: Bureau Veritas estimates (2015)

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

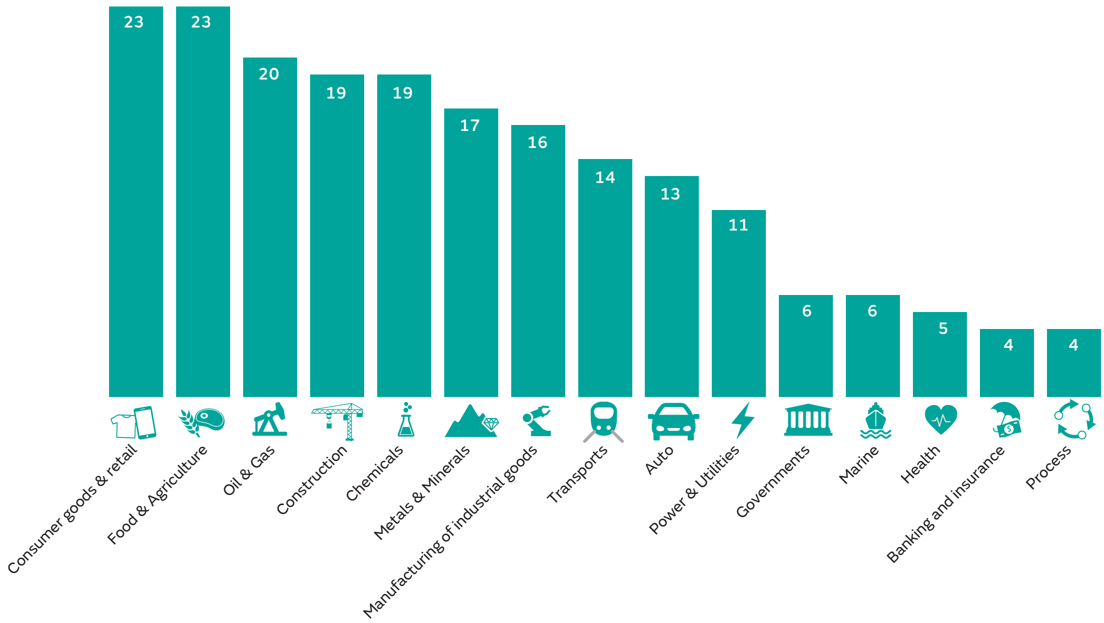
- the accessible (outsourced) market, where services are provided by specialized private organizations or firms, such as Bureau Veritas;
- the internal (insourced) market, where the companies themselves perform these services as part of control and quality assurance; along with the market served by public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

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

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

The TIC market

In € billions



Source: IHS, Bureau Veritas estimates (2015)

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

1.4.2 Evolving growth drivers

TIC market growth is driven by six main factors:

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

Global economic growth continues to influence the market

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

(1) Globalization of the world economy accelerated when China joined the WTO, with global trade growing at double the rate of global GDP growth on average. Since 2011, growth in global trade has slowed and in the next few years is expected to be around one time the growth in global GDP;

(2) The commodities super cycle which had begun in the early 2000s is now at an end. Over the next few years, commodity prices are expected to remain low, leading to more modest growth in investments in new projects (capital expenditure) and in commodity trading volumes;

(3) Emerging countries will continue to spearhead growth, albeit at a less sustained pace. The growth gap between mature and emerging economies should narrow.

Long-term structural trends

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

(1) The rise of the middle classes in emerging countries has led to an increase in the demand for safety and the corresponding safety standards, as well as infrastructure investments;

(2) The use of more complex technologies, for example in the case of the Internet of Things, is increasing the number of tests that need to be carried out on each product and the number of subcontractors that need to be managed. Shorter product life cycles are encouraging companies to outsource a growing proportion of prototype testing and supply chain monitoring, so that they can be more responsive to market trends;

(3) It is increasingly difficult to protect global brands, particularly in view of the surge in popularity of social media, where information can be shared in real time. In addition to regulatory compliance and the drive to be responsible players, companies now believe that proactive and global management of QHSE issues offers a way to create value and guarantee survival over the long-term;

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

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

1.4.3 High barriers to entry

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

- have a **reputation for integrity and independence** in order to forge long-term partnerships with companies in managing their risks;
- obtain **authorizations and accreditations** in a large number of countries in order to do business. Obtaining an authorization or accreditation is a lengthy process. Acquiring a broad portfolio of authorizations and accreditations can therefore only be achieved over the long-term;
- have a **dense geographic network** at both local and international levels. Local network density is particularly 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 customers 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**. Thanks to the technical prowess and professionalism of the Group's teams, it can create a competitive edge by providing high value-added solutions;
- have an **internationally recognized brand**.

1.4.4 Regional, national or global markets

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

The increasing globalization of certain TIC markets favors consolidation within the industry, with the support of major players able to position themselves to serve large companies throughout the world and increase their presence on local markets.

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

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

1.5 Strategy

1.5.1 The Group's key advantages

An efficient international network

Bureau Veritas has an extensive global network of over 1,400 offices and laboratories in almost 140 countries.

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

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

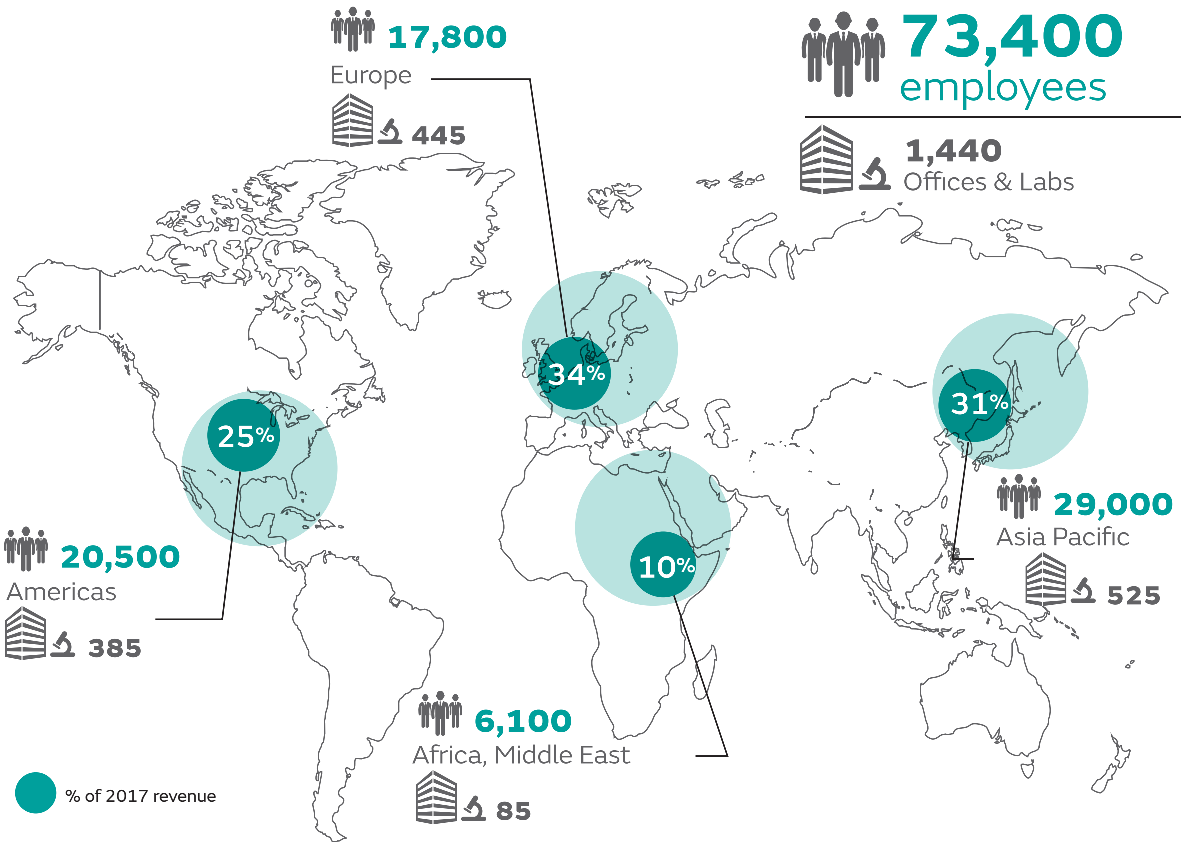
The Group's scale is one of its core assets, providing value and differentiation both commercially and operationally.

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

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

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

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



A strong brand image of technical expertise and integrity

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

Technical expertise recognized by the authorities and by many accreditation bodies

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

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

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

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

A profitable, cash-generating growth model

There are four aspects to Bureau Veritas' financial model:

- it is based on two growth drivers: organic growth and growth through acquisitions. Between 2007 and 2017, the Group posted average annual revenue growth of around 10%. A little less than half of this came from organic growth;
- it focuses on profitable growth: between 2007 and 2017, the adjusted operating margin remained above 16% on average;
- it generates significant, regular cash flow: between 2007 and 2017, the Group generated more than €300 million in free cash flow per year on average, including more than €350 million over the last five years;
- it is underpinned by the Group's strategy of strict cash allocation: net debt must be maintained well below bank ratios and the Group must be able to fund acquisitions and pay dividends.

1.5.2 Five-pillar strategy

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

1. Expand market coverage through key growth initiatives

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

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

2. Become the partner of choice of large international corporations for facilitating and securing their transactions and operations

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

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

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

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

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

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

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

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

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

1.5.3 Initiatives to accelerate growth

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

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

1. Buildings & Infrastructure[1]

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

2. Opex services in specific markets: Oil & Gas, Power & Utilities, Chemicals[1]

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

3. Agri-Food[1]

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

4. Automotive[1]

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

5. SmartWorld[1]

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

6. Certification global contracts

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

7. Marine & Offshore

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

8. Adjacent segments – retail and mining

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

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

1.5.4 Two key markets: the US and China

United States

As the world's economic powerhouse, the US is a priority market for Bureau Veritas. The global headquarters of many different companies can be found in the US and the TIC market in the country is estimated to be worth over €30 billion. Bureau Veritas has stepped up its expansion in the US over the last five years, reporting a 2.5-fold increase in revenue. The country represented approximately 10% of total Group revenue in 2017.

The Group's strategy has three main focuses:

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

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 can be accessed, since most is 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. Since the end of 2016, China (including Hong Kong – Special Administrative Region) has been the Group's biggest market. At December 31, 2017, it accounted for almost 17% of Group revenue.

1.5.5 Four major factors

Human Resources

Motivated and skilled employees

One of Bureau Veritas' greatest assets is its 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 needs, and their commitment to the Group's values.

With nearly 74,000 employees, Bureau Veritas has an enriching mix of cultures and personalities. The Group continuously invests in its employees and takes staff training very seriously. Helping its teams to develop their professional skills has always been a priority.

An experienced management team

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

Key account management

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

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

In 2017, key account sales grew faster than the Group's average sales growth on all markets, with the exception of Oil & Gas which was hit by the slowdown in investments and by maintenance operations amid sluggish oil prices.

Excellence@BV

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

In practice, the lean management approach is rolled out around two objectives.

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

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

The Lean approach takes the form of six strategic initiatives:

- the shift to digital solutions ("dematerialization") leverages new technologies in order to prevent employees from having to make physical trips for standard inspections;
- data management through configurators and optimized data architecture makes information systems more efficient;
- auto-notification enables information to be provided to clients in real time at each stage of the process;
- process re-engineering is a fundamental tool for adapting processes so that they best meet client needs in terms of cost, quality and timing by refocusing teams' efforts on value added;
- scheduling optimizes the time available to the teams so that they can complete the work requested by our clients;
- lastly, route management helps optimize journey times for inspectors on the ground.

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

(1) reducing the cost of the goods or services which Bureau Veritas buys, particularly by leveraging volumes through global contracts;

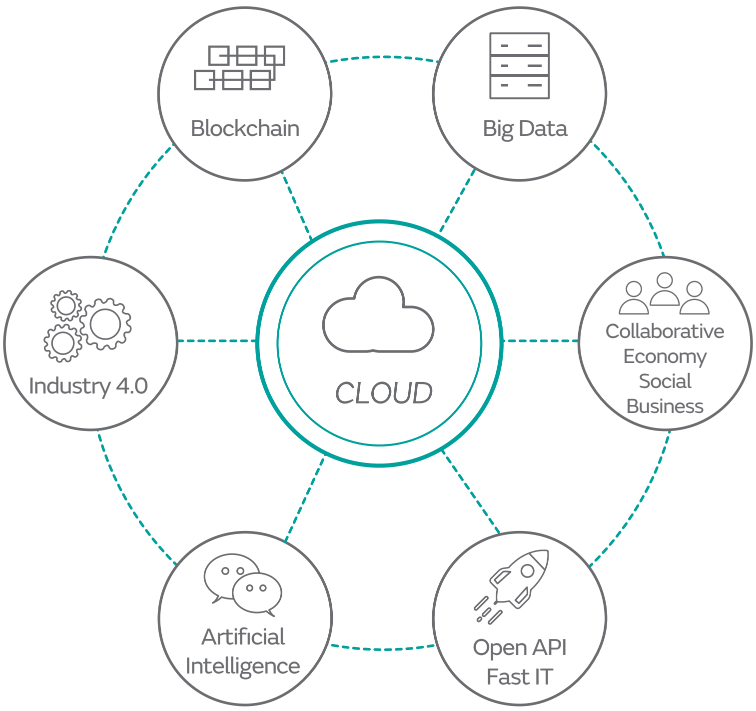
(2) creating an actionable supplier database. This means reducing the number of suppliers and purchasing contracts put in place;

(3) ensuring compliance with clearly formalized governance rules, both with respect to internal processes (e.g., segregation of duties between the purchaser and the referral agent) and external processes (e.g., ethical purchases).

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

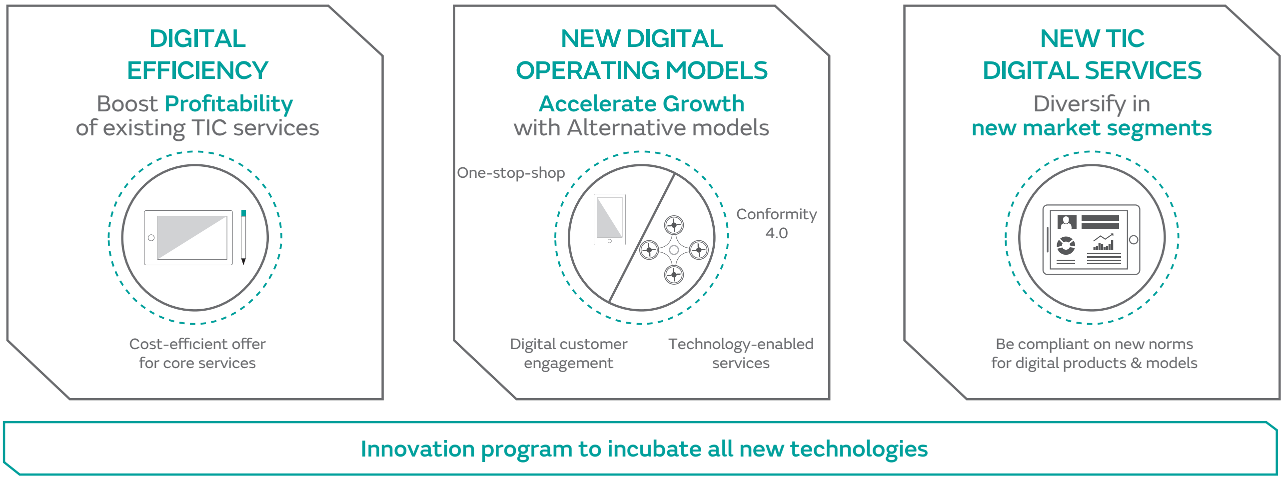
Digitalization

A number of digital technologies are currently disrupting the global economy: among those, Cloud, Artificial Intelligence, Open APIs (Application Programming Interface) and Blockchain.



These technologies can be leveraged and become transformative for the TIC activity of Bureau Veritas overall if seized quickly with a business focus.

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



- **Digital Efficiency** relates to the deployment of new digital tools to its field force and its backoffice to provide more automated services and improve efficiency of the core Bureau Veritas services;
- **New Digital Operating Models** relates to the reinvention of the way the Group delivers services through digital to accelerate the growth, both with digital customer engagement through e-Commerce, marketplaces...(“One-stop-shop” offer) and new services relying heavily on Industry 4.0 technologies, such as Industrial Internet of Things, Artificial Intelligence, Big Data, Cloud 3D (“Conformity 4.0” offer);
- **New TIC Digital Services** relates to the developing market for Bureau Veritas of testing and certifying the digital products and services of its clients, such as cybersecurity certification, personal data protection certification, sensors testing, IOT connectivity testing, connected cars testing.

Here follows examples of realizations or on-going projects on these three topics:

Digital Efficiency

- **Laboratories process and systems rationalization**: in its testing activity, Bureau Veritas significantly grows through acquisitions, having led in the past to the coexistence of multiple Laboratory Information Management Systems (LIMS) and processes, and difficulties to assess globally the calibration and quality of testing services. A significant harmonization work has been performed, leading to the global deployment of selected best in-class LIMS and associated tools, and rework and automation of processes to enable the laboratories to have a fully online service (digital work orders and reports), improving quality and delay of service.
- **Inspection field force management**: as the inspection business is field-force intensive, deploying a standard, end-to-end, next generation field management platform, mixing mobile tools, advanced scheduling as well as digital client interfaces in an integrated way reduces drastically the back-office effort. Deployment of such platform in a pilot project in the Marine & Offshore division led to a significant reduction of these efforts.
- **Complex project management**: in very large projects such as buildings construction, a specific project management solution (Sistema PRI) has been built and deployed successfully in Brazil, enabling Bureau Veritas to establish itself as the controller of the works on behalf of the contractor.
- **Digital collaboration, training & change management**: to support the digitalization of processes, a significant transformation of the Group’s information systems management has started under the lead of the new Chief Information Officer (recruited in 2017), who will bring next generation digital workplace and collaboration tools, migration to the Cloud of significant business applications, and training and change management regarding all of these.

New Digital Operating Models

One-Stop-Shop

- **International e-commerce platform**: Bureau Veritas, a world leader in certification, has built and rolled out an e-Commerce platform, named LEAD (https://lead.bureauveritas.com) to enable any small and medium business (such as restaurants, craftsmen, small services, etc.) who want to be certified against standards, such as ISO 9001, or group of standards, to book and pay an audit online in a few clicks in the simplest and fastest possible way. This platform has been deployed today in 10 countries including US, Brazil, India, Spain, UK and Italy. Such platform will be extended to other businesses such as supplier audit services within the CPS division.

- **External inspectors marketplace**: Bureau Veritas is leveraging its prior acquisition of Quiktrak Inc., a qualified inspector marketplace, enabling our clients looking for an agile and flexible inspections model to design their checklist for inspections according to their needs and then simply self-book the inspection at the right time and locations. The platform will then put the job in relation with qualified external inspectors, who are independent contractors with the right qualification (verified by Bureau Veritas) and availability. Bureau Veritas is acting here as a manager of external auditors, checking the qualification of the inspector and the quality of the delivery through several control mechanisms. Such model is key to be able to deliver inspection services in less than 24/48.

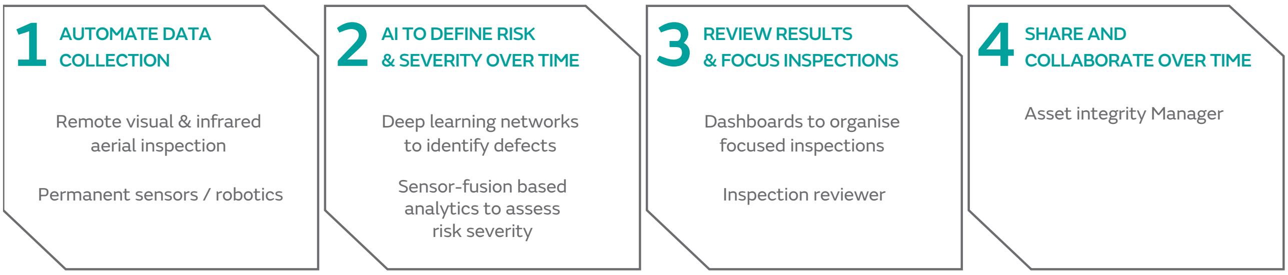
Conformity 4.0

New digital technologies are disrupting the industrial inspection process in all its steps:

- **Visual inspection** is impacted by the availability of autonomous drones and other UAVs, that produce images which can be analyzed by pattern recognition techniques to automatically identify objects and defects;
- **On-site non-destructive testing** is impacted by the deployment of permanent, connected sensors and autonomous robots which can continuously collect technical data from assets;
- **Engineering expertise** can partially be learned through artificial intelligence, enabling machines to predict potential risks and failures;
- **Reporting** is being replaced by supervision platforms and collaborative asset registers, where the complete status of the asset is monitored almost in real time through user-friendly interfaces, such as the 3D representation of the asset, for instance.

In this context, Bureau Veritas has already established itself as a pioneer in 3D Asset Lifecycle Management, partnering with Dassault Systèmes to manage digital twins of ships through its VeristarAIM^{3D} offer, and with Bentley Systems for existing industrial assets Reality Modeling. In both cases, Bureau Veritas operates the platform as a service on behalf of its customers, maintaining the digital twin up-to-date, and managing the single source of truth regarding the asset and its integrity.

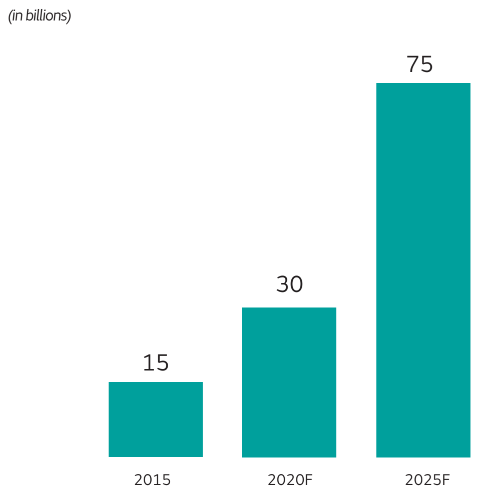
To go beyond this first position and increase its value to customers, Bureau Veritas entered in December 2017 into a strategic alliance with Avitas Systems, a GE venture. This alliance will combine Bureau Veritas' global leadership in industrial inspection, its neutral positioning and accreditations and strong technical expertise, with Avitas Systems' cloud-based platform specialized in automated inspections and defect recognition as well as risk-based optimization analytics, to build the next generation of inspection and asset integrity management services based on artificial intelligence. Bureau Veritas customers will benefit from increased asset & operational reliability, improved safety and conformity, and better efficiency and performance. The alliance will initially focus on the Power & Utilities market, then quickly expand to other industrial markets.



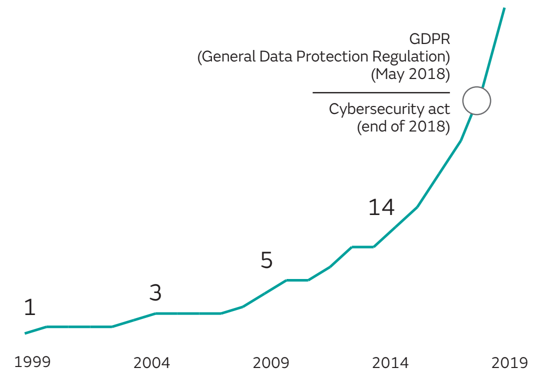
New Digital TIC Services

The separation between physical and digital assets is quickly disappearing as connected things deploy at an exponential rhythm. For instance, most cars are now connected and going towards autonomy, leading to a number of new elements requiring testing or certification, such as on-board connectivity, UX and sensors safety, telemetry and infotainment systems, cybersecurity and data privacy. Generally speaking, the growth of connected things leads to an explosion of digital norms and regulations to manage related cyber risks, a significant example of these being the European GDPR (General Data Protection Regulation) regarding personal data.

EVOLUTION OF THE NUMBER OF IOT OBJECTS



EVOLUTION OF THE NUMBER OF DIGITAL NORMS



In this context, Bureau Veritas has addressed the market with **management systems certification** handling Cybersecurity and Data Protection:

- Bureau Veritas Certification is accredited to deliver ISO 27000 certificates as well as IEC 62443 regarding industrial control, having issued thousands of certificates globally.
- The Group is accredited to deliver the Cyberessentials label, a UK scheme with significant traction in Europe.
- Bureau Veritas has built multiples guidelines on key digital topics (IoT, connectivity, etc.) that it has combined with a software analyzer built with the CEA (French Alternative Energies and Atomic Energy Commission), a public government-funded research organization, to automatically analyze Code quality.
- The Marine & Offshore division is expanding its rule set for ships on Cyber with the SYS-COM additional class notation.
- Bureau Veritas has developed a technical reference and certifications system to ensure protection of personal data as defined per the new General Data Protection Regulation set by the European Union, and assesses and certifies Data Protection Officers to this end.

In addition, the Group has also acquired and will continue to strengthen its strategic and leadership position in the digital testing space, with several acquisitions in the past years (7layers, NCC, Siemic, ICTK), a healthy pipeline of new acquisitions, and strong relationships and business with major global manufacturers of digital products, bringing top credibility on this market. This is related to the SmartWorld Growth Initiative described in section 1.5.3 of this Registration document.

Digital Innovation program

Aside of these short-term impact business focuses, Bureau Veritas has built an innovation program to incubate less mature but not less promising technologies such as Artificial Intelligence for Labs, Blockchain for traceability and trust in digital trade, AR/VR for remote inspection services.

1.5.6 Acquisitions: an active and selective external growth strategy

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

Over the last ten years, the Group has made more than 110 acquisitions, representing aggregate cumulative revenue of over €1.7 billion. Acquisitions also represent an important part of its strategy and are expected to contribute significantly to its additional growth target through to 2020 (around €750 million in additional growth over the period 2015-2020).

Acquisitions must meet criteria for the Group in terms of price, scale, profitability and value creation. While some acquisitions are aimed at developing new platforms (five acquisitions with revenue above €100 million carried out over the past 20 years, most of which are described in section 1.3 – History in this chapter of the 2017 Registration document), most are bolt-on acquisitions of smaller companies.

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

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

In 2017, Bureau Veritas made nine acquisitions, representing cumulative annual revenue of €146 million.

1.5.7 2020 ambition

Bureau Veritas' 2020 ambition is to:

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

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

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

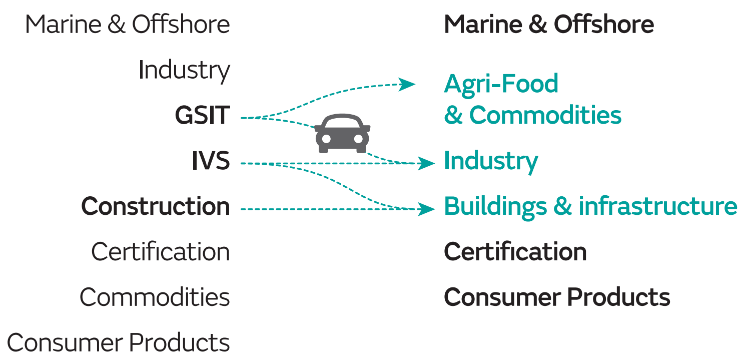
1.6 Presentation of business activities

1.6.1 Change in segment reporting for results

In 2017, Bureau Veritas changed the segment reporting for its results to reflect its business approach, focused primarily on end markets. This approach was adopted in 2016 and resulted in the merger of the Commodities and Industry & Facilities businesses within a single Commodities, Industry & Facilities ("CIF") division and in the creation of an Agri-Food segment included within the Commodities business. In line with these changes and consistent with the Group's new operational organization, effective January 1, 2017, the Group's reporting will be based on the following six operating segments (compared to eight previously):

1) Marine & Offshore;
2) Agri-Food & Commodities;
3) Industry;
4) Buildings & Infrastructure;
5) Certification;
6) Consumer Products

CHANGE IN SEGMENT REPORTING



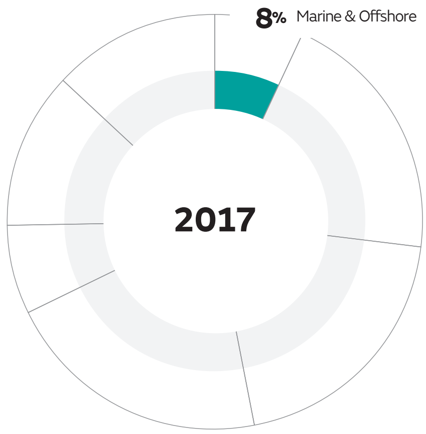
The main changes in 2017 were as follows:

- allocation of a large majority of Inspection and In-Service Verification (IVS) businesses to the Buildings & Infrastructure segment, with the remaining IVS activities reported in Industry (depending on end markets);
- allocation of GSIT (Government Services & International Trade) to the Agri-Food & Commodities segment (with the exception of Automotive, to be reported in Industry).

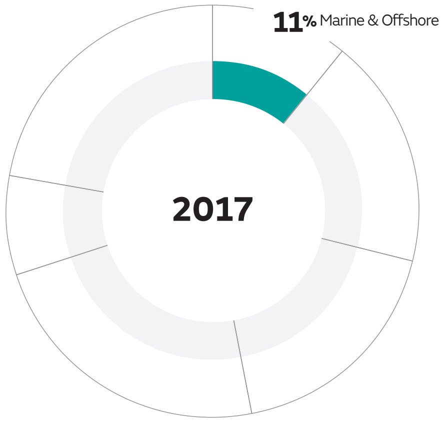
The Group considers that this change improves the understanding of its business portfolio.

1.6.2 Marine & Offshore

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



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

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

Class and regulatory certificates are essential for operating ships. Maritime insurance companies require such certificates to provide insurance, 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 customers 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 2017, 38% of Marine & Offshore revenue was generated by the classification and certification of ships under construction and 62% 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 class 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 under Bureau Veritas class

Bureau Veritas ranks number two worldwide in terms of the number of classed ships and number five 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.

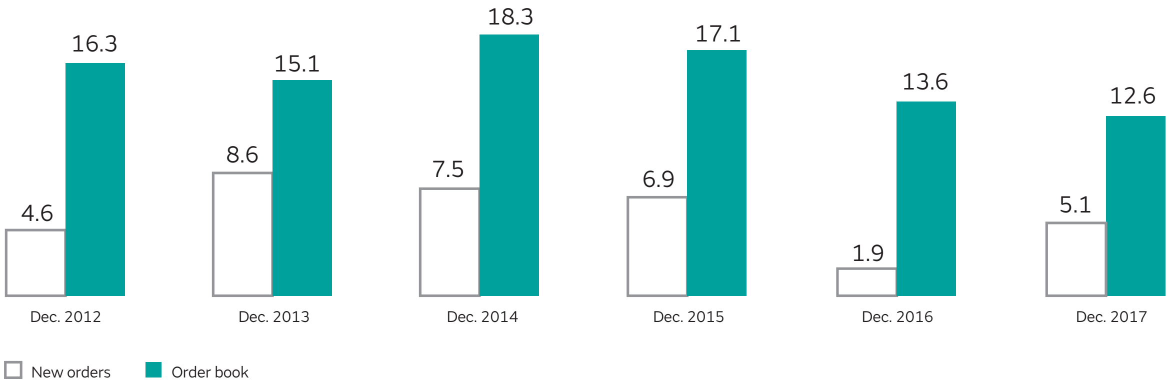
A diversified and loyal client base

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

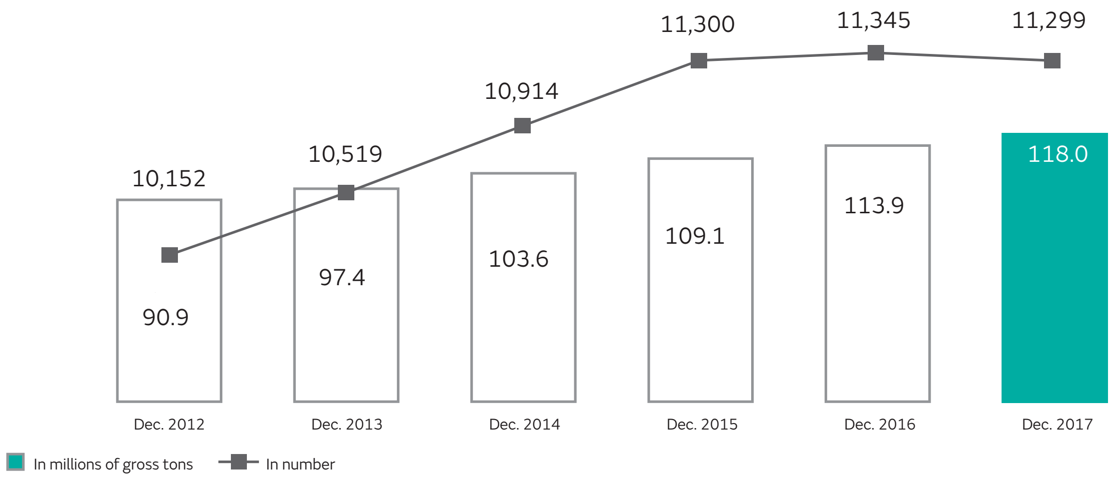
- shipyards and shipbuilders around the world;
- equipment and component manufacturers;
- shipowners;
- oil companies and Engineering Procurement Installation Commissioning (EPC) contractors involved in the construction and operation of offshore production units;
- insurance companies, P&I clubs[(1)]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

Changes in the order book

in millions of GRT (gross registered tonnage)



Changes in the Group's in-service fleet



(1) Protection & Indemnity.

Changing market conditions

A changing regulatory environment

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

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

Upturn in the market for the construction of new ships

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

After years shaped by low levels of new orders, the market rallied in 2013, buoyed by opportunistic orders placed as prices in shipyards fell, despite significant residual overcapacity in the market. 2014 and 2015 benefited from this rally, whereas 2016 saw a downturn in the cycle shaped by a slump in new orders.

The level of orders bounced back in 2017, with contractual tonnage more than double that of the previous year. However, total order volumes remain sharply down on the average for the past ten years. Based on market indicators, the positive trends observed in 2017 should continue through 2018 and 2019.

In terms of orders, 2017 was a good year for Bureau Veritas as regards both volumes and market share. It was awarded a number of contracts for innovative vessels, including a historic order for nine 22,000 TEU LNG-fueled container ships for CMA CGM and an expedition cruise icebreaker with hybrid fuel for Ponant. These two orders highlight Bureau Veritas' frontranking position in the segment for LNG-fueled vessels. In the bulk carriers segment, Bureau Veritas notably landed the order for Kamsarmax-type carriers and very large crude carriers (VLCC) in Chinese, South Korean and Japanese shipyards. The rally in oil prices in 2017 brought a sense of optimism and drove a moderate upturn in business. Bureau Veritas won a significant share of the market for Capex projects, including SBM's Fast4Ward™ floating production, storage and offloading unit (FPSO). Other opportunities exist in the floating storage regasification unit (FSRU) segment. Offshore windfarm and dredging sectors continue to generate attractive opportunities, with Bureau Veritas obtaining two state-of-the-art offshore service vessels equipped with a dynamic positioning system, as well as 16 offshore dredgers.

Against this backdrop, Bureau Veritas is concentrating on two key areas:

- digitalization; and
- high value-added services.

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

Digital innovations focused on performance

Bureau Veritas Marine & Offshore continued its digital transformation. Bureau Veritas offers its clients new services allowing them to face up to new challenges or risks, while at the same time leveraging digital opportunities to enhance client experience and its own operational excellence.

In 2017, the Marine & Offshore business continued to digitalize its inspection process for in-service ships, notably introducing e-certificates. Today, shipowners can access a secure digital platform that allows them to request visits online, manage their inspections and reports, and directly access their electronically signed certificates. The next stage, which is currently under development, will involve optimizing inspection schedules by providing clients with proactive advice online and real-time visibility on the status of their requests.

In partnership with Dassault Systems, Bureau Veritas Marine & Offshore launched VeristarAIM3D, its new collaborative platform built around a 3D digital twin which is able to consolidate all data on a given asset and export that data to digital analytical tools when revaluations are required. This innovative solution facilitates decision-making, optimizes maintenance and repairs and reduces operating costs and lead times.

2017 also saw the roll-out of a digital inspection scheduling solution that helps optimize the timetable and productivity of inspectors, while offering clients the appropriate skills in the right place and at the right time.

Bureau Veritas Marine & Offshore entered into a partnership with Bourbon within the context of the Smart Shipping program, with a view to digitalizing vessel operations to optimize safety and reliability of operations at optimum costs. The first applications of this partnership include the real-time verification of the dynamic positioning operations of the Bourbon fleet, classification of the connectivity systems and cybersecurity issues.

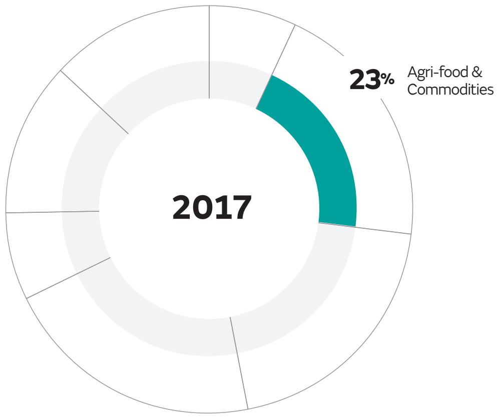
Bureau Veritas is also actively working on new technologies, such as drones or remote video inspections, aimed at improving service lead times while reducing risks for inspectors and crews.

A strategy based on broadening the service offer

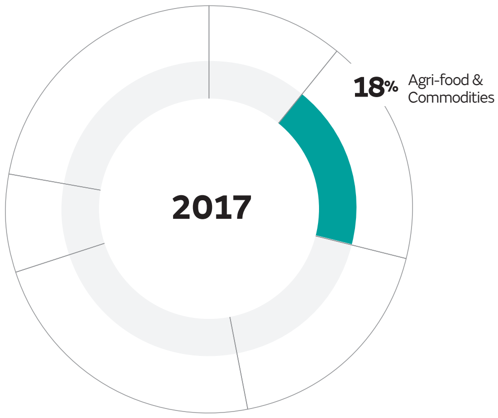
Developing high value-added services remains an important avenue for growth for Bureau Veritas Marine & Offshore. These services harness recent acquisitions (HydrOcean, MatthewsDaniel, TMC Marine and MAC) that have allowed the Group to widen its portfolio of services and increase the number of clients it is able to serve. At the same time, changes in regulations, particularly environmental regulations (identification of hazardous materials, management of ballast water, monitoring of emissions), are creating new opportunities to support clients in preparing relevant compliance strategies and optimizing the necessary measures to be rolled out. Lastly, Bureau Veritas Marine & Offshore looks to assist its clients by offering services in the shipbuilding phase (engineering, risk analysis) and also throughout the life of the asset, using new digital tools.

1.6.3 Agri-Food & Commodities

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT

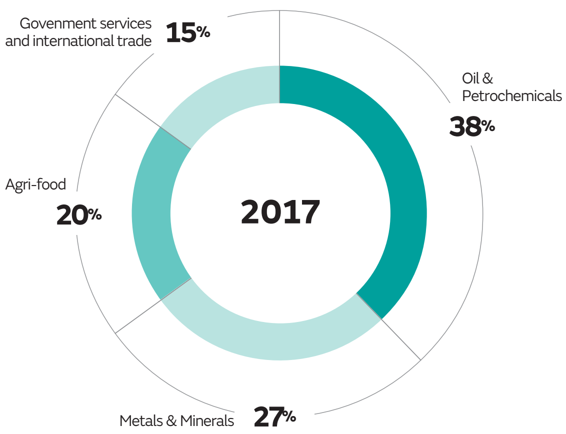


The Commodities business provides a wide range of inspection and laboratory testing services in three main market segments: Oil & Petrochemicals, Metals & Minerals (including coal) and Agri-Food. The Group has a diversified business portfolio covering all commodities at each stage of the production cycle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

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

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

REVENUE BY BUSINESS SEGMENT



Oil & Petrochemicals

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

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

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

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

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

Extensive global coverage and a key presence in major refining centers

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

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

Metals & Minerals

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

These services can be split into two categories:

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

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

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

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

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

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

Trade-related inspection and testing services verify and certify the quantity and quality of commodities as they move through the supply chain. These services inform the clients how much metal is there, enabling them to agree 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 strategic hubs in London, Singapore, Shanghai, Perth, Lima and Houston. These locations are major trading centers and headquarters for many of the major mining companies, banks and traders. Additional support is provided by other key locations in Moscow, Rotterdam, Geneva, Jakarta, Johannesburg, and Dubai.

Leading-edge laboratories

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

Agri-Food

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

These services can be split into three categories:

Upstream agricultural services

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

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

Agricultural commodities inspection and testing

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

Inspection services maximize control at every link 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 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 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 and micronaire – and agree commercial value for their production.

Food inspection and testing

Key analyses chiefly cover veterinary drug residues, pesticides, heavy metals, organic contaminants, nutritional testing, allergens, colorants and dyes, GMO, species identification, along with microbiological, chemical and environmental-type analyses for a series of foodstuffs.

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

Government services and international trade

A comprehensive and diversified portfolio of services

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

In the context of these programs, the Verigates client portal enables foreign trade operators and government authorities to confidentially track inspection records step-by-step through to delivery of the certificate on a dedicated, 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. As PSI inspection contracts gradually disappear, the Group offers governments Verification of Conformity (VOC) contracts of imported merchandise with existing regulations and standards, which are intended to prevent unfair competition and fraudulent imports of non-compliant, counterfeit or poor-quality products.

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

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

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

In the field of international trade, Bureau Veritas provides a broad spectrum of inspection services. These services aim to offer independent inspection 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 growing number of contracts for inspection by scanner, services relating 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 and Agri-Food processing and retail industries, as well as with the leading commodity trading companies.

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

Solid competitive advantages

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

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

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

A leading position built through acquisitions

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

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

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

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

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

The recent economic environment defined by low oil prices and a rise in trading of crude and refined products has been a boon to Oil & Petrochemicals product analysis. The Group continues to expand in this segment, reinforcing its market share in inspections and tests 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.

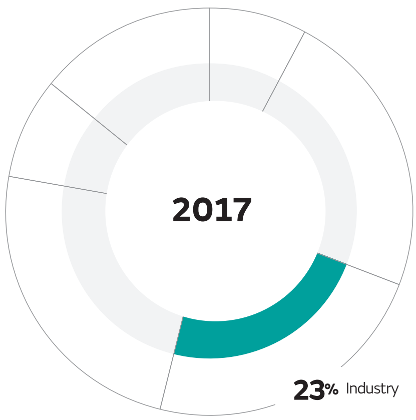
In the Metals & Minerals segment, Bureau Veritas' priority is still to provide a coherent, comprehensive offer, develop new services and optimize the Group's geographic presence. Its ambition is to increase its market share in trade-related inspections and in testing services through an expanded network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

In Agri-Food, the Group's aim is to become world's leading players, 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 a world leader in rice inspections, and the market leader for food testing in Canada, Australia and South America. The Group is actively investing in new laboratory facilities in North America, Asia and Pacific to support the growing demand of large customers for a comprehensive and global offer. The TIC market for Agri-Food should see vigorous growth driven by the population increase, the globalization of the food supply chain, more stringent regulations and rising consumer demand in terms of quality and product traceability.

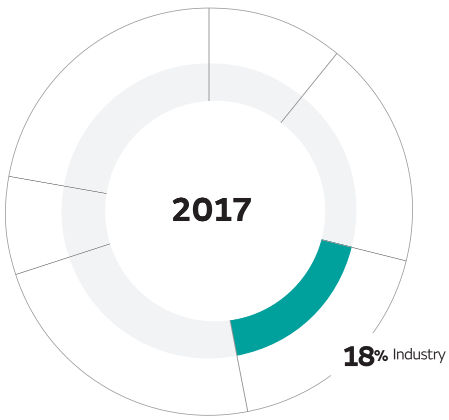
In terms of government services and international trade, the Group's strategy is based on supporting the transition to single windows. Recommendations by international organizations encourage governments to set up secure web platforms to restructure and simplify government services. "Single windows"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

1.6.4 Industry

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT

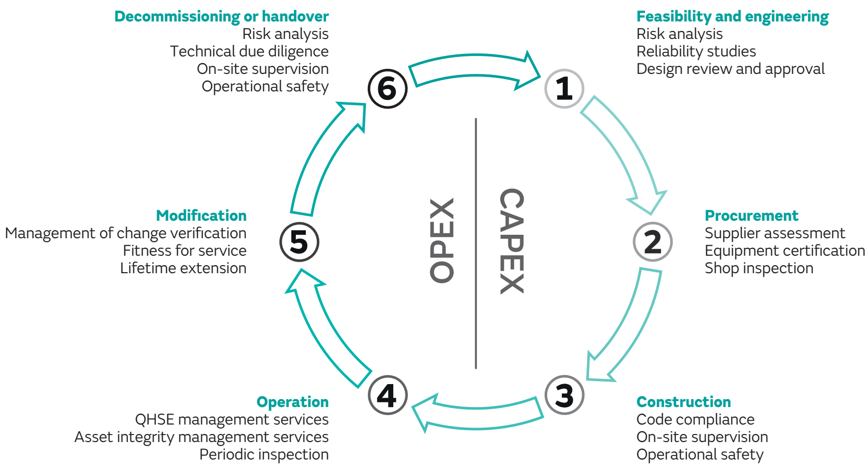


A portfolio of services covering the entire asset lifecycle

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

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

- assistance for industrial projects during the engineering and construction phases (Capex), including design review, risk and safety studies, reliability studies, and shop and on-site inspections, from design to commissioning;
- independent third-party certification of equipment or facilities, in accordance with regional, national or international regulations;
- services related to production continuity and asset integrity management during the operation phase (opex) in order to optimize asset performance, reduce risk and minimize costs. These services include regulatory and voluntary inspections and audits during the operation of industrial facilities, asset management solutions, non-destructive testing during shut-downs, and measurement of fugitive emissions;
- HSE services for industry, technical training of staff, and the delivery of qualifications relating to technical standards and client specifications.



Broad coverage of industrial markets

Bureau Veritas' Industry services cover many different sectors, including Oil & Gas (upstream, midstream, downstream), representing around 38% of revenue in 2017, as well as Power & Utilities (nuclear, thermal and renewable energies, gas for urban supply, water supply systems, waste management), Chemicals and Processing (cement, paper, etc.), Manufacturing (equipment, machines, modules), Metals & Minerals, Transport and Logistics (aeronautics, rail, terminals, port facilities, containers, etc.) and Automotive.

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

A fairly diversified client base

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

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

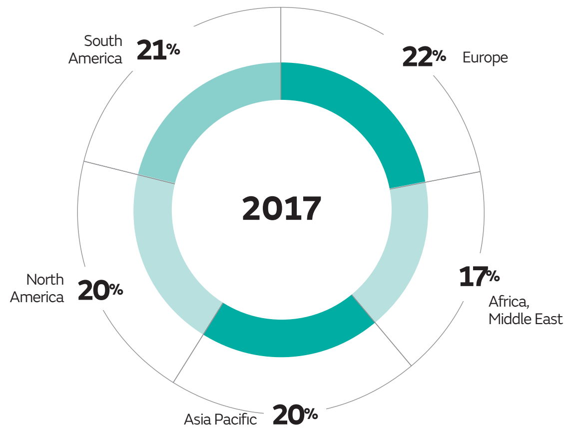
The Group's biggest client in its Industry business operates in the Power & Utilities sector and accounts for around 5% of revenue.

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 US, Italy, the UK, Germany, the Netherlands, Spain and Japan) and high-potential regions (Latin America, India, China, Africa, the Middle East, South East Asia and the Caspian Sea countries).

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

REVENUE BY GEOGRAPHIC AREA



Key market growth factors

The market for TIC services for Industry is highly fragmented due to the diversity of end markets, and is defined by a large number of local firms and few large global players. The Group believes it was the world's leading provider of industrial inspection and certification services in 2017.

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

- **The number of industrial projects and the development of new regions and industries:** Bureau Veritas believes that investments in industrial facilities and infrastructure will remain significant, particularly in high-potential economies. Most sectors should benefit from this trend with the exception of Oil & Gas, which has seen a fall in exploration projects amid low prices. The development of new industries such as renewable energies, high-speed rail and urban transport also offers new growth opportunities for the TIC market.
- **Opportunities regarding existing assets (opex services):** amid tighter financial conditions, industrial players are looking to prolong the life and use of their existing assets while reining in operating costs. Certain clients are reconsidering outsourcing control and inspection activities, thereby giving rise to new opportunities for growth. Industrial facilities are also equipping themselves with more and more sensors and IoT, opening doors to TIC industry for new services. All sectors including Oil & Gas are benefiting from this trend.

- **More and stricter regulations and standards** at both regional and international level, along with the globalized nature of the supply chain, are making the operational environment increasingly complex for industrial firms.
- **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.

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

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

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

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

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

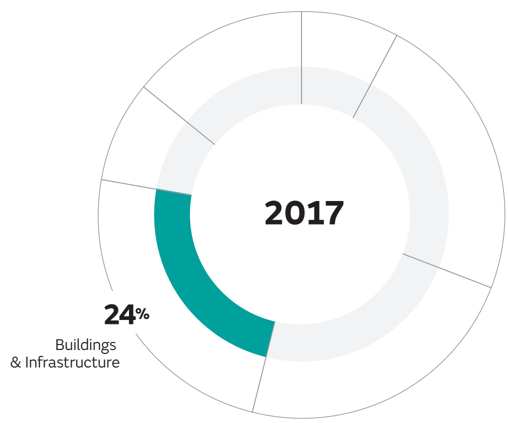
1.6.5 Buildings & Infrastructure

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

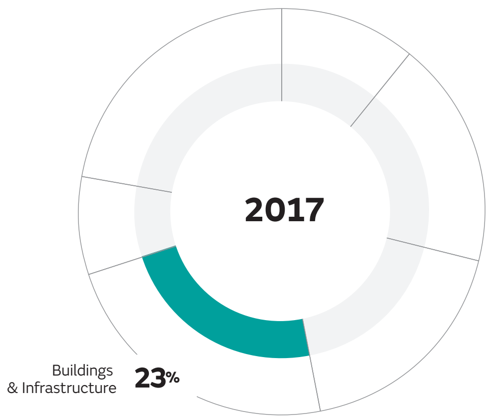
In particular the Group's services are composed by two main areas of specialization: "In-Service Inspection & Verification" (around 40% of the divisional revenue) focusing on the periodic inspections required by regulations of the different equipment and assets, and "Construction services" (around 60% of the divisional revenue) providing independent technical assistance, control and supervision in planning, design construction and operation stage. In-service inspection and verification services are related to Opex while the Construction services are mainly related to Capex.

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

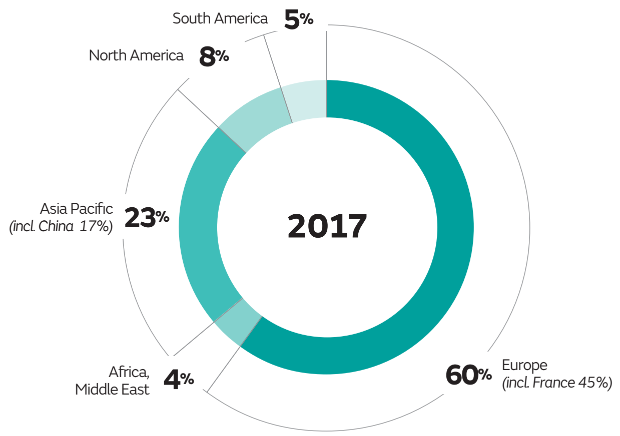
GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



REVENUE BY GEOGRAPHIC AREA



IN-SERVICE INSPECTION AND VERIFICATION (OPEX)

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

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

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

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

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

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

World leader

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

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

A market that benefits from structural growth drivers

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

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

A strategy focused on geographic expansion, innovation and productivity gains

Continuing to improve the geographic balance

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

Developing services focused on performance management assistance for real estate assets

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

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

Service quality excellence and improved profitability

Optimization of the services portfolio and the roll-out of lean management has led to a significant improvement in the quality of services and profitability in certain key countries. The aim is to continue these efforts and to deploy these best practices in all countries.

CONSTRUCTION (MAINLY "CAPEX")

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

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

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

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

In order to limit exposure to the cyclical nature of construction markets, the Group is rebalancing its positioning between mature and high-potential countries, and has developed complementary asset management-related services such as 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 US and Japan. It has also strongly expanded its presence in a number of high-potential markets such as China, India, Brazil, Singapore, Russia, the United Arab Emirates, Saudi Arabia and several countries in Africa.

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

A global leader in compliance assessment for the construction market

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

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

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

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

Expansion in markets with strong growth potential

The portion of revenue from high-potential countries increased from 10% in 2011 to more than 50% in 2017. The Group has built up a solid network in the main countries concerned. In China, the Group has developed regulated businesses thanks to its 2012 acquisition of Huaxia, its acquisitions of Shangdong Chengxin and Shanghai TJU Engineering Services in 2015, and its voluntary Project Management Assistance assignments. In 2016 and 2017 the Group further expanded its footprint in China, acquiring Chongqing Liansheng and Shanghai Project Management.

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

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

The Group's position in the US has also been strengthened with the acquisition of Primary Integration Solution, leader in building commissioning and operational risk management services for data center facilities.

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

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

An innovative portfolio of services tailored to new client requirements

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

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

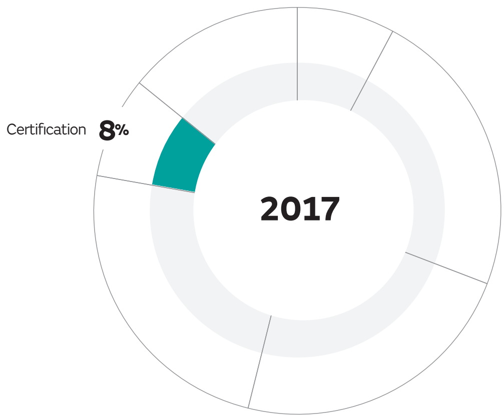
As for the infrastructure asset management services, the Group in Brazil is performing an integrated technical assistance to one of the largest highway concessionaire in the country for monitoring and controlling the status of the different assets comprising the highway infrastructure.

In the framework of the different assignments that Bureau Veritas is performing in the Grand Paris Express construction project, Bureau Veritas is also carrying out specific services on the Vulnerability Assessment of the urban area affected by the construction of metro lines.

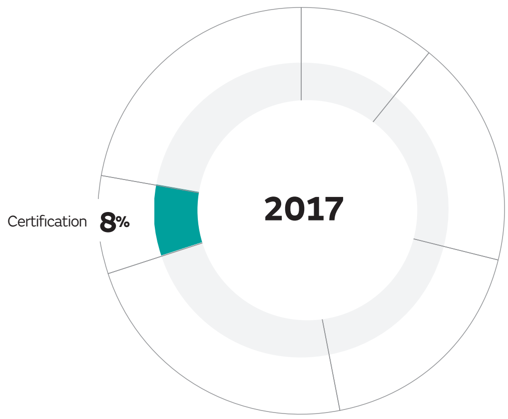
The Group is also developing its services for sustainable buildings. For example, Green Rating™, an environmental performance benchmarking tool for buildings, now covers new social responsibility requirements. Elsewhere, a partnership agreement was signed with the US Green Building Council (USGBC), founder of the LEED™ certification system, in order to support its international development.

1.6.6 Certification

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



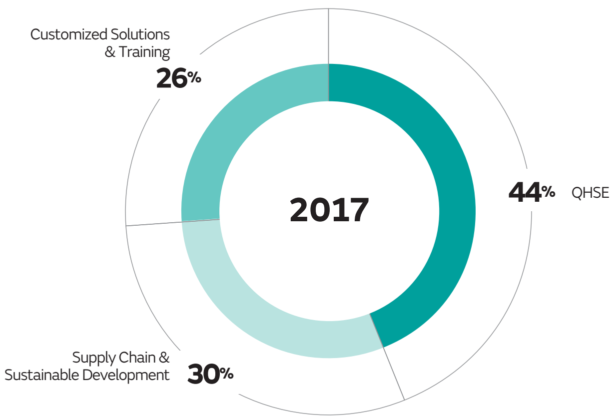
A full range of customized audit and certification services

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

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

- QHSE management system certification services: Quality (ISO 9001), Environment (ISO 14001), and Health and Safety (OHSAS 18001);
- certification services in accordance with specific sector schemes, in particular for the automotive industry (ISO TS 16949, replaced by the IATF), aeronautics (AS 9100), rail (IRIS), Agri-Food (IFS, ISO 22000, HACCP – management of food health and safety), the forestry/wood sector (FSC/PEFC), and health services. In France, Bureau Veritas also provides label certification services in the Agri-Food sector (e.g., *Label Rouge*, *Agriculture Biologique* (AB) and *Origine France Garantie*);
- environment-related services: verification of sustainability practices in the fields of climate change (EU ETS), energy management (ISO 50001), biomass and biofuel sustainability (EU Directive on Renewable Energy), carbon footprinting (ISO 14064, PAS 2050), social responsibility (SA 8000, ISO 26000) and sustainability reporting (AA 1000, GRI);
- customized certification and second-party audits, based on standards defined by clients to audit or certify their network of franchisees, resellers, stores or suppliers;
- training: accredited by the Chartered Quality Institute (CQI) and the International Register of Certificated Auditors (IRCA), the Certification business also offers training in quality, health and safety, environment, social responsibility, food safety, information system security, business continuity management and energy management.

REVENUE BY BUSINESS SEGMENT



A resilient market

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

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

Since September 2015, companies have been adapting their Management Systems to meet the new ISO 9001 and ISO 14001 standards, which bring more added value because they involve a company's entire management team, developing risk management and allowing for standards to be more easily assimilated. At the end of 2017, the number of companies transitioning to these new standards had picked up pace. In 2017 transportation companies began their transition to the new IATF standard in the automotive industry, which replaces ISO TS 16949, the revised AS 9100 standard in the aeronautics industry, and the new ISO/TS 22163 standard in the rail industry.

A diversified client portfolio

The Group manages a large volume of certificates (over 142,000 certificates currently valid) for three types of client:

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

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

Market position

A front-ranking player

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

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

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

Bureau Veritas boasts strong competitive advantages:

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

A strategy focused on key accounts and new product development

Increase business with key accounts

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

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

Development of new products and services

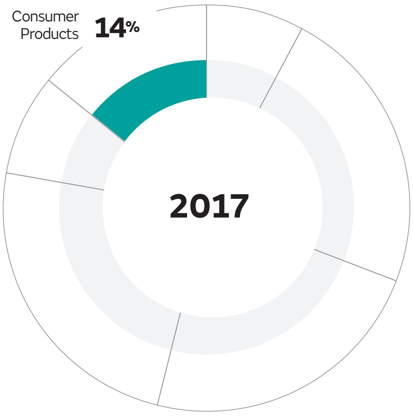
To assist its clients in implementing the revised ISO 9001, 14001, IATF and AS 9100 standards, Bureau Veritas has developed bespoke client services which include online training, self-assessment tools and pre-audits in order to prepare and facilitate their transition to the new requirements.

Other new products round out its existing offering in several critical areas. In risk management, the Group has launched solutions covering business continuity, asset management and the fight against corruption. The Group's new offerings in the digital field concern cybersecurity and protection of personal data. In sustainable development, Bureau Veritas helps companies verify their environmental footprint, social responsibility commitments and sustainable development reports.

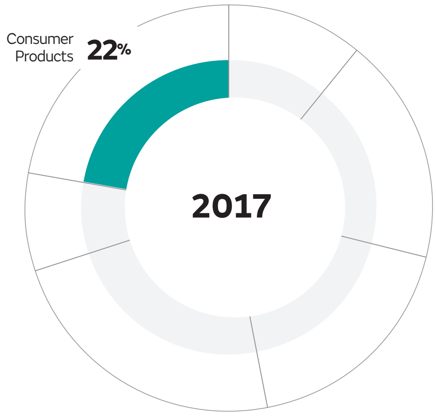
Bureau Veritas is also stepping up the drive to digitalize its services through several solutions. These include e-learning solutions for training services, the launch of an e-commerce platform allowing small and mid-sized business clients to purchase their certification services directly online and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

1.6.7 Consumer Products

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



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

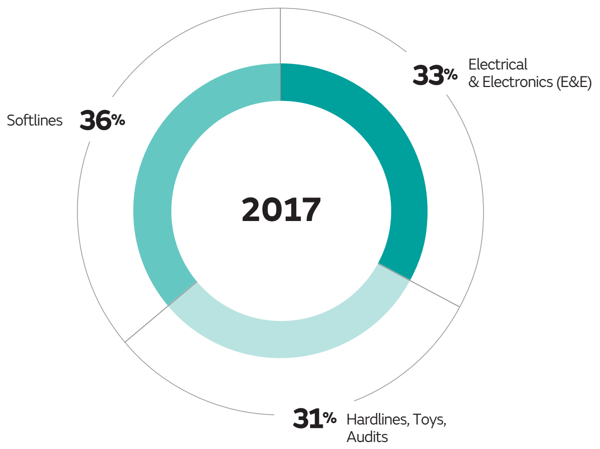
The Group provides quality management solutions and compliance assessment services for the consumer products manufacturing and supply chain. These solutions and services, which include inspection services, laboratory testing and product certification as well as production site and social responsibility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

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

The main product categories include:

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

REVENUE BY PRODUCT CATEGORY



The Group provides services:

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

A concentrated and loyal client base

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

Most of the revenue from this business is traditionally generated by around 100 key accounts. The 20 largest clients represented just under 30% of the revenue for this business in 2017.

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

A market driven by innovation and new regulations

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

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

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 for automotive products.

A particularly robust presence in the US

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

Growth in market share in Europe

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

A growth strategy focused on domestic markets in Asia

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

Unique supply chain quality management solutions

The Group believes that its “BV OneSource” service offering is a unique and innovative solution for customers 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 customers manage their risks, protect their brand and access better information on their sourcing.

A breakthrough in wireless technologies and SmartWorld

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

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

A new platform in the Automotive sector

The automotive market is facing the shift of production and consumption to emerging countries and the move to “connected” cars and electrical technology. These trends will generate additional needs for TIC services.

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

1.7 Accreditations, approvals and authorizations

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

Marine & Offshore (M&O) division

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

Commodities, Industry & Facilities (CIF) division

Industry & Facilities

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

The Group is also a notified body under European directives and holds more than 300 approvals, certifications, official acknowledgments and authorizations issued mainly by government organizations. The main international approvals concern pressure equipment, transport equipment for hazardous goods, building materials, Agri-Food products and environmental measures.

All such accreditations and approvals are regularly renewed upon expiration.

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

Then, the business is accredited by the International Motor Vehicle Inspection Committee (CITA) for vehicle inspections.

Commodities

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

The Group is US-customs bonded and approved and is also accredited by the American Association of State Highway and Transportation Officials (AASHTO) for laboratory asphalt testing. Certain minerals laboratories are included as listed Samplers and Assayers by the London Metal Exchange (LME) and as Superintendents and Facilitators by the London Bullion Metals Association (LBMA). The Group is also approved as a "Good Delivery Supervising Company" by the London Platinum & Palladium Market (LPPM). Certain Agri-Food laboratories are accredited by the Federation of Oils, Seeds and Fats Associations (FOSFA) and the Grain & Feed Trade Association (GAFTA). Bureau Veritas is also accredited by the Sugar Association of London (SAL) and the Federation of Cocoa Commerce (FCC), as well as by a number of other relevant national and international associations and organizations in various countries.

Most of the Group's US laboratories are also accredited by the US Environmental Protection Agency (EPA) to carry out fuel tests on EPA-regulated products such as fuel oil and gas.

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, 2017, the division had some fifty government contracts.

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 Lander fur Sicherheitstechnik (ZLS), Hong Kong Laboratory Accreditation Scheme (HOKLAS), IEC System for Conformity Testing and Certification of Electrical Equipment (IECEE), National Environmental Laboratory Accreditation Program (NELAP), Singapore Laboratory Accreditation Scheme (SINGLAS), United Kingdom Accreditation Services (UKAS), China National Laboratory Accreditation for Conformity Assessment (CNAS), Deutsche Akkreditierungsstelle Chemie GmbH (DACH), Deutsche Akkreditierungsstelle GmbH (DAkkS), AKS Hannover, Japan Accreditation Board (JAB), National Accreditation Board for Testing and Calibration Laboratories (NABL), Pakistan National Accreditation Council (PNAC), Laboratory Accreditation Correlation and Evaluation (LACE), Komite Akreditasi Nasional (KAN), Thai Industrial Standards Institute (TISI), Vietnam Laboratory Accreditation Scheme (VILAS), CTIA Authorized Testing Laboratory (CATL), PCS Type Certification Review Board (PTCRB), Global Certification Forum (GCF), Bluetooth Qualification Test Facility (BQTF), Bluetooth Qualification Expert (BQE), NFC Forum Authorized Test Laboratory, WiFi Alliance Authorized Test Laboratory, Federal Communications Commission (FCC), Industry Canada (IC), Car Connectivity Consortium (CCC), OmniAir Authorized Test Laboratory (OATL), LoRa Alliance Authorized Test House (ATH), Sigfox Accredited Test House, Thread Authorized Test Lab, Wireless Power Consortium for Qi certification (QI), EMVCo Service Provider, Visa Recognized Testing Laboratory, Agence Nationale de Telecommunications du Brésil (ANATEL) and Institut National de Métrologie, Qualité et Technologies (INMETRO).

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

1.8 Material contracts

In light of the nature of its business, as of the date of this Registration document the Company has not entered into material contracts other than those entered into in the ordinary course of business, with the exception of the loans described in the Sources of Financing section in Chapter 4 – Management report of this Registration document.

1.9 Research and development, innovation, patents and licenses

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

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

- a research partnership with the French Alternative Energies and Atomic Energy Commission (CEA), with which ten or so projects are carried out each year on issues as varied as cybersecurity, smart grids and the Internet of Things;
- its membership of the Consortium Factory Lab, which is a cluster of public research laboratories, global industry leaders and companies developing innovative technologies. This Lab looks at areas such as the factory of the future, physical and cognitive assistance for operators, and process/testing automation;
- contracts with innovative technology start-ups and industry players to develop common interest projects such as remote assistance and support;
- its involvement in the work of the European Cyber Security Organisation (ECSO) within the context of an EU-driven public-private partnership to define the technological roadmap for the cybersecurity sector;
- its partnership with industrial joint research centers like IRT Jules Verne and with academic laboratories such as that of École centrale de Nantes for developing digital solutions for innovative hydrodynamic studies;
- its involvement in subsidized joint projects, notably those financed by the Single Interministerial Fund, and its replies to European calls for projects;
- its participation in the IEC System for Certification of Standards Relating to Equipment for Use in Renewable Energy Applications;
- the shift of its businesses and solutions to digital media, with the development of future inspectors and inspection services.

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

A €2.5 million research tax credit was recognized as a subsidy in the 2017 consolidated financial statements.

A total of €10.9 million in research and development costs relating mainly to the Marine & Offshore business was recognized under expenses in 2017.

1.10 Information and management systems

The Group's IT department is responsible for:

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

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

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

In 2017, the total expenses for the Group's information systems (excluding capital expenditure) represented 3% of the Group's consolidated revenue.

1.11 Risk factors

Investors are advised to carefully read the risks described in this chapter, as well as the other information contained in this Registration document. As of the date on which this Registration document was filed, the risks presented below are the main risks which the Group believes could have a significant adverse effect on the Group, its business, its financial position, its results 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 and support functions both within 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.

Internal control and risk management procedures in place within the Group are described in section 4.4, page 181, of this Registration document.

However, other risks may exist or may come to exist that are not known by Bureau Veritas at the date of this Registration document, or that are considered at that date unlikely to have a significant adverse impact on the Group, its business, its financial position, its earnings or its outlook were they to materialize.

1.11.1 Risks relating to the Group's operations and activities

Risks related to the macroeconomic environment

Description

The Group is present in almost 140 countries through a network of over 1,400 offices and laboratories. Through its six global businesses (Marine & Offshore, Agri-Food & Commodities, Industry, Buildings & Infrastructure, Certification, and Consumer Products), the Group offers its clients services in numerous sectors of the economy. While the Group's business is diversified and fairly resilient to different economic cycles, it is sensitive to changes in the overall macroeconomic environment. Demand for the Group's services, the price of those services and the margin they represent, are directly related to the level of its clients' business activity, which itself is sensitive to global economic growth.

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

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

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

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

Risk management

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

The relevant indicators for measuring global trade volumes, investments and consumption are monitored by regional heads and heads of the operating businesses. These data are reviewed by Group management at the time of the tri-annual operating reviews, in order to anticipate changes and adjust the service offering and resources accordingly.

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

Risks related to the geopolitical environment

Description

Given the variety and number of regions in which the Group operates, including emerging countries in Asia, Latin America, Africa and Eastern Europe, its businesses may be affected by political change or instability (elections, referendums, etc.), social unrest, terrorist attacks, riots, war and health crises. These risks could have an adverse impact on the viability or continuity of the Group's businesses in one or more countries.

Risk management

The Group endeavors to diversify the geographic footprint of its businesses in order to reduce its exposure to the risks described above. By engaging in ongoing diplomatic and commercial efforts, the Group is better able to anticipate crises, ensure that its contracts and agreements are secure with the help of its internal and external counsel, and contract certain insurance policies that may be called on where appropriate.

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

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

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

Risks related specifically to Government Services in the Agri-Food & Commodities business

Description

Government Services (included within the Agri-Food & Commodities business), and in particular Pre-Shipment Inspection (PSI), Verification of Conformity (VOC) and Single Window (SW) solutions, involve a relatively limited number of programs, contracts and accreditations (the “Contracts”) signed with or granted by governments or public authorities.

At the date this Registration document was filed, the Group had around 50 Contracts, most of which involved services for countries in Africa, the Middle East and Asia. These Contracts are generally for a period of one to three years (or ten years for the single window). Many of them are subject to local administrative law and may be unilaterally terminated at short notice at the discretion of the government or authority concerned. They are also subject to the uncertainties inherent in conducting business in emerging countries, some of which have been or could be subject to political or economic instability, sudden and frequent changes in regulations, civil war, violent conflict, social unrest or actions of terrorist groups. The suspension, cancellation or non-renewal of even a small number of these Contracts could have a significant adverse effect on the Group’s business, financial position, earnings or outlook.

In addition, in executing the Contracts entered into with governments or public authorities, the Group may face difficulties in collecting amounts receivable, and the collection process could prove long and complex. The non-payment or late or partial payment of substantial sums owed under these Contracts could also have a significant adverse effect on the Group’s business, financial position, earnings or outlook.

Risk management

To reduce its exposure to the risks described above, the Group endeavors to diversify the geographic footprint of its portfolio of Government Services businesses and to structure its programs so that services are paid for by the operators and not by the relevant governments.

By engaging in ongoing intensive diplomatic and commercial efforts, the Group is also better able to anticipate crises and manage such risks if they were to arise.

Lastly, Bureau Veritas seeks to secure its contracts as far as possible with the help of its internal and external counsel and, where appropriate, by taking out insurance policies against political risks.

Risks related to the Group’s competitive environment and innovation

Description

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

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

In addition, on some Group markets which are currently fragmented, particularly Industry, Buildings & Infrastructure and Certification, there is a trend towards industry consolidation giving rise to major international groups. Over time, if the Group were unable to take part in the market consolidation, its ability to meet its objectives may be affected. In such a case, this increase in consolidation or competition (e.g., greater competition in open bidding) could impact the Group’s business and hence its ability to maintain and increase its market share.

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

Risk management

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

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

To limit the impact of these risks, Bureau Veritas also carries out acquisitions and develops partnerships on certain programs. In 2017 for example, it acquired INCA (Mexico), IPS Tokai Corporation (Japan) and Primary Integration Solutions, Inc. (United States), and signed a strategic partnership with Avitas Systems (United States), a GE Venture, to launch inspection services driven by advanced analytics.

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

Risks related to Group acquisitions

Description

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

The Group may not however be able to identify appropriate targets, complete the acquisitions on satisfactory terms (particularly as to price), adequately identify the potential risks related to each acquisition under the due diligence performed to examine financial, legal, ethical, tax, operational or IT matters, or efficiently integrate the acquired companies or activities and achieve the anticipated benefits in terms of cost and synergies. In addition, the Group may not be able to obtain financing for acquisitions on favorable terms, and it may thus decide to finance the acquisitions with cash which could have been allocated to other purposes in connection with the Group's existing businesses. In the event of major acquisitions, the Group may be required to rely on external sources of financing, particularly the capital markets.

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

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

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

Risk management

Bureau Veritas and the central Corporate Development team have a specific organization devoted to external growth operations. This team is responsible for overseeing and managing the external growth process through the Mergers and Acquisitions Committee, which meets every two weeks to work with the operating groups and the central functions concerned to validate the acquisition targets. This team is also responsible for direct involvement with the local teams during the negotiation and due diligence stages.

Management rules governing external growth transactions are defined in a specific procedure. This procedure describes the steps involved in evaluating and validating transactions, the requisite documents (content of presentations, points to be covered, financial analyses required) as well as the respective roles and responsibilities of the operating departments and the headquarters' support functions. The different support functions (Legal, Risk and Compliance, Audit and Acquisitions Services, Treasury and Financing, Tax and Consolidation) review and approve projects before the Group makes any commitment. External growth projects (acquisitions or divestments) worth between €5 million and €10 million are reviewed by the Board of Directors' Strategy Committee which decides whether or not to pursue the projects. Planned acquisitions worth more than €10 million must be approved by the Board of Directors.

The Group has also implemented a dedicated organization and internal procedures governing the acquisition integration plan. Additional information is provided in section 4.4 – Internal control and risk management procedures on page 181 of this Registration document.

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

Description

A significant part of the Group's business requires it to obtain and maintain accreditations, approvals, permits, delegations of authority, official recognition and authorizations more generally (hereafter referred to as "Authorizations") at local, regional or global level, issued by public authorities or by professional organizations following long and often complex review procedures. Most Authorizations are granted for limited periods of time and are subject to periodic renewal by the authority concerned. For some of its businesses (in particular Government services and international trade in the Agri-Food & Commodities business and Marine & Offshore), the Group (or division concerned) must be an active member of certain professional organizations in order to be eligible for select projects.

Although the Group closely monitors the quality of services provided under these Authorizations, as well as the renewal and stability of its Authorizations portfolio, any failure to meet its professional obligations or real or perceived conflicts of interest, could cause the Group to lose one or more of its Authorizations either temporarily or on a permanent basis. A public authority or professional organization which has granted one or more Authorizations to the Group could also unilaterally decide to withdraw such Authorizations.

The non-renewal, suspension or loss of any of these Authorizations, or of its position as member of certain professional organizations, could have a significant adverse effect on the Group's business, financial position, earnings or outlook.

Risk management

For each of its businesses, Bureau Veritas has put in place a specific organization for managing and monitoring Authorizations.

The management of Authorizations used in several countries was reinforced in 2017, particularly in the Agri-Food & Commodities, Industry and Marine & Offshore businesses, through optimum organization and implementation of control tools (especially employee qualification management and supervision, Internal Audit management, a shared service center to monitor execution, and Commitment Committees to analyze and prevent conflicts of interest). These tools and systems are regularly reviewed and enhanced by the Group.

Measures are also in progress to reinforce the centralized management of international Authorizations and streamline their geographical footprint in order to limit the Group's exposure to the risk of losses. Internal initiatives aimed at raising awareness of potential conflicts of interest have also been rolled out so that the risks associated with Authorizations can be better understood and addressed.

Additional information on these Authorizations and their management is provided in section 1.7 – Accreditations, approvals and authorizations, page 54 and section 4.4 – Internal control and risk management procedures, page 181 of this Registration document.

Risks related to outsourcing and subcontracting

Description

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

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

Risk management

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

On formalizing their relationship with the Group, subcontractors are required to sign a subcontracting agreement which contains numerous compliance clauses (compliance with the Group's Code of Ethics, statements of compliance with anti-corruption legislation, etc.). They are also required to provide a high quality of service and to comply with strict payment terms with regard to expenses and fees due.

The Group also has insurance against these risks.

Risks related to technological change

Description

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

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

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

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

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

Risk management

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

- Digitally-augmented TIC: to increase and optimize the Group's capabilities in its existing businesses thanks to digital technologies. In 2017, drones, smartglasses and artificial intelligence were used in several of the Group's businesses;
- Platforms & Data: to support the Group's organic growth ambition by putting in place digital platforms for rolling out global services for customers and their ecosystems thanks to systematic internal and external data mining (2017 saw the creation of VeristarAIM^{3D}, a collaborative platform for managing a digital twin of any ship and its integrity in partnership with Dassault Systèmes; SafeSupply, a digital platform for managing procurement risks in the food supply chain in partnership with ComplianceMetrix; and Building-in-One, a collaborative documentary platform providing lifetime property management services and compliance, in partnership with VP&White);
- New TIC for the Digital Economy: to develop new TIC capabilities adapted to the digital world (enhancement in 2017 of the Group's current capabilities for digital products and services thanks to the acquisition of specialized companies such as Siemic and the development of new offers in the digital economy segment, such as certification of personal data protection).

Towards the end of 2017, Bureau Veritas also signed a strategic partnership with Avitas Systems, a GE Venture, to jointly develop cross-industry inspection services driven by advanced analytics on a global scale. This partnership will initially focus on power and utility assets (in line with the 2020 strategic plan) and will rapidly be extended to other industrial assets.

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

Risks related to information systems, data protection and cybersecurity

Description

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

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

Risk management

The Group currently has a series of procedures and technologies allowing it to deal with risks identified above; however, it will never be able to guarantee a wholly risk-free environment.

- Technological risks

To protect itself against malicious acts, central security systems have been put in place offering protection against software attacks (viruses, spam, etc.), and against attempts to hack into the Group's systems. This security policy is audited every year by a specialized independent company, which simulates intrusion attempts besides its audit work.

In 2018, the Group will continue to upgrade its protection by installing cutting-edge systems enabling it to better protect itself against new types of attack. With regard to data processing security, the Group's main data centers are covered by a Disaster Recovery Plan (DRP) that enables them to migrate their critical software to an alternative data center in under 24 hours in the event of a major disaster, and with the loss in data not exceeding two hours.

- Human and process risks

With regard to employee security, all the work of the teams follows detailed, documented procedures applicable to all of the Group's data centers. This enables teams from other centers around the world to carry out the tasks normally assigned to a different center, thus ensuring continuity of service in the event of social or geopolitical unrest.

In 2018, training and awareness-raising initiatives targeting all Group users will help reduce vulnerability to hacking and the risk that viruses and other threats will spread. The introduction of an IT Charter provides a framework for employees' activities and especially activities carried out by the Group's subcontractors and partners.

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, which notably include the appointment of a Group Data Protection Officer before the Regulation comes into effect. The Group's compliance program is described in further detail in sections 4.4 – Internal control and risk management procedures on page 181 of this Registration document.

Main risks related to Human Resources

Description

The Group employs some 74,000 people across the globe. Employee expertise, quality and commitment is vital for the success of a service provider like Bureau Veritas. The Group's Human Resources policy, in particular its ability to attract, retain, train, motivate and reward its personnel and especially its high-performing employees, is therefore considered one of the key drivers of its performance.

Certain employees, mostly senior managers, have very broad knowledge of the Group's businesses and sector. The departure of these senior managers therefore poses a risk for the Group.

Furthermore, inadequate communication regarding the careers Bureau Veritas offers could affect the Group's appeal among younger generations and high-caliber candidates.

Risk management

The Group endeavors to provide rewarding career opportunities and roles to its employees. It looks to foster employee loyalty through an attractive system of annual and multi-annual compensation as part of a long-term strategy.

Bureau Veritas has put in place annual reviews (known as Organization and Leadership Development Reviews – OLDR) aimed at preparing succession plans for all of the Group's senior managers. The annual review process is rolled out within each operating group and used in turn to prepare succession plans for local management. These reviews help the Group draw up succession plans and devise career paths or mobility offers to ensure the continued development of the Group and its employees and ensure that it retains high-performers.

Bureau Veritas strives to retain key talent in its merger and acquisition transactions through contractual and financial measures, in order to avoid slowing down implementation of the Group's strategies.

The Group is also stepping up its presence on social media in order to improve understanding about its businesses among potential future employees. Showcasing the meaning of its businesses in a world where sustainable development, environmental and safety concerns are increasingly important, is the best guarantee of a pertinent, high-quality recruitment policy.

The Group is not aware of any exposure to specific labor-related risks other than risks that can arise in the ordinary life of a company of the Group's scale and worldwide geographical reach.

Additional information on Human Resources management is provided in section 2.3 – Human Resources on page 80 of this Registration document.

Risks related to health and safety

Description

Bureau Veritas directly employs some 74,000 people in over 1,400 offices and laboratories across the globe and also uses many different subcontractors. Those working at either Group or client facilities may be exposed to physical, mechanical, chemical or biological risks.

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

Risk management

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

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

A detailed description of employee health and safety in general and the measures put in place in this field are presented in section 2.4 on page 88 of this Registration document.

Risk of ethical violations

Description

Although the Group strives to enforce strict ethical values and principles in conducting its business, the risk of isolated acts in breach of these values and principles by Group personnel, agents or partners as a means to maintain business relationships, avoid or settle disputes or fast track administrative decisions cannot be excluded (acts of corruption, fraud, conflicts of interest, anti-competitive practices, violation of international economic sanctions, etc.). Such acts may lead other parties to claim that Group employees, managers or companies are liable. This situation could lead to penalties – particularly financial penalties – and/or affect the Group's reputation and adversely impact its business, financial position, earnings or outlook.

Risk management

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

The Group's Compliance Program is described in further detail in section 4.4 – Internal control and risk management procedures on page 181 and in section 2.2.1 – Ethics: an "Absolute" on page 77 of this Registration document.

Risks related to international economic sanctions

Description

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

Risk management

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

Risks related to the production of forged certificates

Description

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

Since obtaining certification is often vital for companies, Bureau Veritas is exposed to the risk that its reports or certificates are falsified or tampered with, or that counterfeit reports or certificates are issued infringing Bureau Veritas' trademarks and/or copyright. The production of forged or counterfeit reports can result from employee conduct (a malicious act for example) or, more commonly, external sources (fraudulent behavior by a customer or third party in order to meet regulatory requirements).

This situation could lead to legal proceedings (civil and criminal), jeopardize the Group's ability to maintain or renew the Authorizations it needs to pursue certain activities, result in the withdrawal of certain products from the market and/or damage the reputation of the Group and the TIC industry in general. It could also adversely impact the Group's business, financial position, earnings or outlook.

Risk management

A policy aimed at preventing counterfeit certificates has been in place in the Group since 2015. Whenever there is a suspected case of forged or counterfeit certificates, the Group conducts an investigation to rapidly identify the source and authors of the forgeries/counterfeits. Where applicable, it reports on the matter to clients, accreditation bodies and, if necessary, government and customs authorities, particularly in light of applicable legal and regulatory requirements. Legal and criminal proceedings are also initiated to put a stop to the fraud and seek damages for the harm suffered by the Group. Penalties may be adopted against those responsible.

For some of its businesses, the Group is developing an electronic signature for its certificates and the use of QR codes in a bid to reduce the risk of forged or counterfeit certificates and improve the traceability of the reports and certificates issued by the Group.

Image and reputational risk

Description

Bureau Veritas' ability to fulfill its responsibilities as a trusted third party relies heavily on its reputation for integrity, independence and competence. Publication in the media of any certain or alleged difficulties, particularly as regards the performance of major or sensitive projects, could affect the Group's image and credibility among its clients and therefore, its ability to be awarded certain contracts.

Risk management

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

- Explain the scope of its services

Bureau Veritas is strengthening its business line communications among third parties, with the aim of explaining the conditions in which its services are provided and how they can help reduce risks and improve client performance. These communications should result in a better understanding of its professional discipline and the limits of its actions and consequently its liability.

- Preventing risks

The Group regularly identifies the risks to which it is exposed through its activities and the work performed by its employees, particularly by means of a risk map. It strives to control these risks preventively by implementing appropriate policies and processes. This approach covers in particular technical, operational, ethical and reputational risks for all of the Group's businesses.

- Detect and manage crises

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

In a globalized world where information is available immediately, Bureau Veritas has also set up a media and social network intelligence unit which allows it to identify any situations potentially harmful to its image.

1.11.2 Legal risks

Risks related to changing regulations

Description

The Group conducts its business in a heavily regulated environment, with regulations sometimes differing widely from one country to the next.

Changes in regulations applicable to the Group's businesses may be either favorable or unfavorable. Stricter regulations or stricter enforcement of existing regulations, while creating new business opportunities in some cases, may also result in new conditions for the Group's activities that increase its operating costs, limit the scope of its businesses (for example, in connection with real or perceived conflicts of interest) or more generally slow the Group's development.

Certain countries may also choose not to allow private or foreign firms to engage in the local TIC market or may decide to change the rules for exercising business in such a manner that the Group can no longer do business in those countries.

In particular, important changes in regulations or legislation applicable to the Group's businesses in the principal countries where it operates may lead to frequent, or even systematic, claims against the professional liability of employees, the Company or its subsidiaries. The Group could become the object of multiple litigation proceedings and may be required to pay substantial damages and interest, which may not be covered by insurance despite the fact its services were provided in the jurisdiction prior to any regulatory changes. In extreme cases, such changes in the regulatory environment could lead the Group to exit certain markets where it considers the regulation to be overly restrictive.

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

Risk management

The Group endeavors to monitor all of these changes through its regulatory intelligence in order to anticipate, monitor and give its input to the competent authorities when new regulations are being drafted.

The Group is also member of national and international associations of the TIC profession, including the International Federation of Inspection Agencies (IFIA), and the International Association of Classification Societies (IACS), which publish ethical and classification standards.

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

Description

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

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

In professional civil liability litigation, there may be a substantial delay between the date the services are provided and the date a claim is filed. To date, rulings handed down against the Group in major cases have generally been for amounts significantly lower than those initially claimed.

We cannot rule out that new claims may be made against Bureau Veritas in the future leading to substantial liability for the Group and this could have a significant adverse effect on the Group's business, financial position, earnings or outlook. A detailed description of major litigation proceedings to which the Group is party is provided in section 1.12 – Legal, administrative, government and arbitration procedures and investigations on page 67 of this Registration document.

Risk management

Bureau Veritas has implemented procedures aimed at preventing, monitoring and managing litigation. These procedures are described in section 4.4 – Internal control and risk management procedures on page 181 of this Registration document.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Details of total provisions for contract-related disputes are provided in section 5.1 – Consolidated financial statements, Note 27 – Provisions for liabilities and charges on page 230 of this Registration document.

Risks related to the Group's business insurance coverage

Description

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

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

Risk management

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

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

A detailed presentation of the Group's insurance policies is provided in section 1.13 – Insurance on page 69 of this Registration document.

1.11.3 Financial and market risks

Risks related to Group debt, sources of financing and commitments

Description

Group debt consists of (i) five private placements of debt securities with US and UK investors (US Private Placements – "USPP") drawn in different currencies, (ii) two *Schuldschein*-type private placements ("SSD") with investors on the German market, and (iii) three bond issues. Debt also includes other bank loans, overdrafts and accrued interest. The Group also has an undrawn syndicated loan. A detailed description of Group debt is provided in section 4.3 – Cash flows and sources of financing on page 175, and in section 5.1 – Consolidated financial statements, Note 24 – Borrowings and financial debt on page 224 of this Registration document.

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

(1) If the change of control clause is enforced (in the event a third party, acting alone or in concert, should directly or indirectly hold more than one-third of the voting rights and more voting rights than the current majority shareholder Wendel), lending banks or investors could require early repayment of the entire amounts owed by the Group and/or force the Group to renegotiate its financing agreements under less favorable terms and conditions.

(2) The USPP also contain a make-whole clause which may notably be exercised in the event of default and which is in addition to the aforementioned early repayment clause for Group debt: the Group may be required not only to repay capital and accrued interest to lenders but also to compensate them according to a calculation based on a comparison between the fixed rate payable over the remaining term of the debt and the yield curve on treasury bonds over the same period. It should be specified that change of control does not represent a default incident for the USPP debt.

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

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

Risk management

A detailed description of Group debt is provided in section 4.3 – Cash flows and sources of financing on page 175, and in section 5.1 – Consolidated financial statements, Note 24 – Borrowings and financial debt on page 224 of this Registration document.

A detailed description of liquidity risk management is provided in section 5.1 – Consolidated financial statements, Note 5 – Financial risk management on page 205, and Note 24 – Borrowings and financial debt on page 224 of this Registration document. The Group looks to achieve a balanced debt repayment schedule.

Interest rate risk

Description

The Group's interest rate risk arises primarily from assets and liabilities bearing interest at floating rates. At December 31, 2017, 12% of the Group's gross debt was at floating rates.

Risk management

The Group seeks to limit its exposure to a rise in interest rates through the use of derivative financial instruments where appropriate. Interest rate exposure is monitored on a monthly basis. The Group continually analyses the level of hedges put in place and ensures that they are appropriate for the underlying exposure.

A detailed description of interest rate risk management is provided in section 5.1 – Consolidated financial statements, Note 5 – Financial risk management on page 205, Note 24 – Borrowings and financial debt on page 224, and Note 34 – Additional financial instrument disclosures on page 236, of this Registration document.

Liquidity risk

Description

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

Risk management

The Group seeks to ensure that it has confirmed, undrawn credit lines at all times in order to service its debt. At December 31, 2017, the Group had access to an undrawn confirmed revolving syndicated facility totaling €450 million (syndicated loan) in addition to cash. This facility was set up in July 2012 for a five-year period and its maturity was extended to April 2019 in 2014.

A detailed description of liquidity risk management is provided in section 5.1 – Consolidated financial statements, note 5 – Financial risk management on page 205, Note 24 – Borrowings and financial debt on page 224, of this Registration document.

Currency risk

Description

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

Risk management

A detailed description of currency risk management is provided in section 5.1 – Consolidated financial statements, note 5 – Financial risk management on page 205, Note 24 – Borrowings and financial debt on page 224, and Note 34 – Additional financial instrument disclosures on page 236 of this Registration document.

Counterparty and credit risk

Description

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

Risk management

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

A detailed description of counterparty risk management is provided in section 5.1 – Consolidated financial statements, Note 5 – Financial risk management on page 205, and Note 20 – Trade and other receivables on page 220 of this Registration document.

Risk of impairment of intangible assets resulting from acquisitions

Description

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

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

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

Risk management

The Group carries out half-yearly impairment tests to ensure that the fair value of its intangible assets in the statement of financial position is appropriate. The testing approach used is detailed in section 5.1 – Consolidated financial statements, Note 3 – Summary of significant accounting policies on page 197 of this Registration document.

Risks related to taxation

Description

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

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

Risk management

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

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

1.12 Legal, administrative, government and arbitration procedures and investigations

In the normal course of business, the Group is involved with respect to its activities in a large number of legal proceedings seeking to establish its professional liability. Although the Group pays careful attention to managing risks and the quality of the services it provides, some services may result in adverse financial penalties.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The costs which the Group ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of the disputes.

At the date of this Registration document, the Group is involved in the main proceedings described below.

Dispute concerning the construction of a hotel and commercial complex in Turkey

Bureau Veritas Gozetim Hizmetleri Ltd. Sirketi ("**BVG**") and the Turkish company Aymet are parties to a dispute before the Commercial Court of Ankara relating to the construction of a hotel and business complex in respect of which the parties entered into a contract in 2003. In 2004, construction on the project was halted following the withdrawal of funding for the project by the Aareal Bank. Aymet filed an action against BVG in 2008, claiming damages for alleged failures in the performance of its project inspection and supervision duties and BVG's responsibility in the withdrawal of the project's financing.

Regarding procedural issues, the experts appointed by the judge filed two reports in 2009 that were unfavorable to BVG. In 2014, a new panel of experts filed two further reports which were even more unfavorable to BVG.

The court appointed a new team of experts in late 2015 to examine all aspects of the case. Their report, filed on December 16, 2015, considers that BVG fulfilled its contractual obligations and that Aymet's claims are unfounded. Accordingly, the experts state that Aymet should reimburse BVG for the residual amount owed for its services.

Following the parties' observations, the judge requested that the experts write an additional report. Three of the five experts have since removed themselves from the case and were replaced in February 2017. On March 15, 2017, the new experts filed a further report unfavorable to BVG, confirming the 2014 reports and increasing Aymet's calculation of alleged damages. In light of the troubling circumstances that led to this most recent report, BVG initiated criminal and disciplinary proceedings which the Court brought before the public prosecutor. The Company considers that these unfavorable expert reports did not take into account the evidence provided by BVG and Aareal Bank and did not address the legal and contractual issues that might establish any liability on BVG's part. At the hearing on January 17, 2018, the Court requested that the experts prepare an additional report and set the date for the next hearing on May 23, 2018.

Regarding the merits of the case, the documents presented to the court by BVG and Aareal Bank, which provided a loan for the project and which was also summoned to the proceedings by Aymet, along with legal opinions provided by several distinguished professors of Turkish law, support the Company's position according to which Aymet's claims are without firm legal or contractual foundation.

In November 2017, a decision was handed down in the case between Aareal Bank and Aymet via its legal representative, within the scope of the same affair. The Court considered that Aareal Bank had legitimately terminated its financing on account of a breach of contract by the lender, Aymet. This decision could have a favorable impact on the proceedings involving BVG.

Under local law, Aymet's claim is now capped at 87.4 million Turkish lira (around €18 million in March 2018), plus interest charged at the statutory rate and court costs. BVG challenges both the principle of the initial claim and the assessment of the damage.

At the current stage of proceedings, the outcome of this dispute is uncertain. Based on the available insurance coverage, the provisions booked by the Group and the information currently available, and after considering the opinions of its legal counsel, the Company considers that this claim will not have a material adverse impact on the Group's consolidated financial statements.

Dispute concerning the Gabon Express airplane crash

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

At the date of this Registration document, no quantified claim has been made in a court of law and the assignment of liability is not yet known. The main proceedings have not yet begun, due to procedural difficulties. The application for withdrawal of the judgment of June 18, 2013 filed by BV Gabon in September 2013 was dismissed in February 2015 by a decision of the Court of Cassation in Libreville. Accordingly, the evidence should be referred back to the Criminal Court to set a hearing on the merits. BV Gabon had summonses delivered directly to the foreign brokers who had illegally invested the policy covering the aircraft in order to include them as party in the proceedings.

Based on the available insurance coverage and on the information currently available, and after considering the opinion of its legal counsel, the Company considers that this claim will not have a material adverse impact on the Group's consolidated financial statements.

Dispute concerning technical inspector accreditation in France

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

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

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

Tax disputes

Bureau Veritas SA received a tax adjustment proposal from the French tax authorities for fiscal years 2010 to 2014. Within the scope of the adversarial proceedings, the Company presented the arguments allowing it to defend its position. Following the tax authorities' approval, the Company is exposed to a residual risk only in respect of this dispute, as indicated in section 1.11.3 of this Registration document on tax risks.

There are no legal, administrative, government and arbitration procedures and investigations (including any proceedings of which the Company is aware that are pending or with which the Group is threatened) that could have, or have had over the last 12 months, a material impact on the Group's financial position or profitability. A detailed description of the provisions for claims and disputes booked by the Group is provided in Note 27 to the 2017 consolidated financial statements in section 5.1 of this Registration document.

1.13 Insurance

In 2017, the Group continued:

- its policy of centralizing insurance programs, in order to achieve an appropriate match between the risks transferred and the cover purchased, thereby maximizing economies of scale while taking into account the specific characteristics of the Group's businesses and contractual or legal constraints;
- its optimization of cover limits and procedures for obtaining insurance or reinsurance with appropriate deductibles.

To this end, the Group has taken out various global and centralized insurance policies placed via specialized insurance brokers with leading insurers such as Allianz Global Corporate & Specialty (AGCS), MSIG Insurance Europe AG, AIG, Zurich, RSA, XL Insurance Company, and Chubb. All insurers selected by the Group have a minimum S&P rating of A-.

The main centralized programs are as follows:

- the Civil Liability policy, which covers professional civil liability for all the Group's activities, with the exception of Construction in France and Aeronautics (these are covered by specific insurance programs). This Civil Liability policy is complementary to the Civil Liability policies taken out in the countries in which Bureau Veritas operates, but with different limits and/or conditions. As in the past, this policy involves the traditional insurance and reinsurance market as well as the Group's captive reinsurance company;
- the "Directors and Officers" (D&O) policy, which covers Corporate Officer liability;
- the Aviation policy, which mainly covers aircraft inspection activities leading to certificates of airworthiness;
- the international Property Damage and Business Interruption policy, which has been rolled out on a country-by-country basis since 2014. This policy covers the offices and laboratories rented, owned or otherwise made available to the Group.

Other risks must be managed locally. Insurance policies such as for vehicle fleets or "worker's compensation" are taken out on a national basis in compliance with local practices and regulations and to provide cover for the relevant risks. The Construction business in France is insured locally, for example, due to the specific characteristics of technical inspections and the ten-year mandatory construction guarantee (see section 1.6.5 – Buildings & Infrastructure in this chapter). In the event of a claim, Group companies pay the deductible agreed under the terms of these various insurance policies.

The Group's self-insurance system is centered on its reinsurance subsidiary. This captive company has enabled the Group to better manage risks and disputes and to optimize the insurance premiums it pays. The reinsurer provides:

- first-line coverage for the Civil Liability policy for all of the Group's businesses, where this is permitted by applicable legislation and regulations. The maximum annual amount payable by the reinsurance captive for the Civil Liability policy was €9 million for 2017, with a limit of €3 million per claim. These amounts apply worldwide except for the United States, where there is an annual per-claim limit of USD 10 million for Errors & Omissions cover and of USD 2 million for General Liability cover;
- as part of the Group's Property Damage and business Interruption policy, per-claim cover of €400,000, up to a maximum amount of €1.2 million per annum. The per-claim amount was increased to €2 million and the maximum amount to €4 million per annum with effect from January 1, 2018.

The Group believes that the coverage and limits of these central and local policies are broadly similar or even more extensive than those subscribed by global companies of the same scale operating in the same sector.

The Group intends to continue its policy of taking out global insurance policies where possible, increasing coverage where necessary and reducing costs through self-insurance policies as appropriate. It will ensure that its main accidental or operational risks are transferred to the insurance market where such a market exists, and that such transfer can be justified financially. The insurance program described above will be adjusted in accordance with ongoing risk assessments (based mainly on risk maps), market conditions and available insurance capacity.

2

Corporate Social Responsibility AFR

Components of the Annual Financial Report are identified in this table of contents with the sign AFR

Corporate Social Responsibility ("**CSR**") is at the heart of Bureau Veritas' activities and underpins the value of its brand.

The Group provides services that have a positive impact on quality, health and safety as well as protection of society and the environment. By helping its clients, partners and suppliers to live and work in a safer and more responsible environment, Bureau Veritas actively contributes to the design and use of safer, better quality, longer lasting and environmentally-friendly products, equipment and services.

The Bureau Veritas brand brings added trust, a key component of economic success.

The development of CSR initiatives is an important aspect of the Group's development strategy and one of the drivers of its operating efficiency model.

2.1 Vision

2.1.1 CSR at the heart of our business

Bureau Veritas helps to lessen negative external factors for both small and large companies and organizations by delivering services aimed at preventing risk; reducing environmental impact; safeguarding assets, products and infrastructure; promoting responsible purchasing; and ensuring traceability and supply chain oversight.

Beyond the immediate issue of regulatory compliance, Bureau Veritas helps its clients to increase the availability of their assets by extending their useful lives, improving maintenance activities and introducing new control procedures.

The Group also continues to develop its range of services directly related to CSR and sustainable development, in order to reinforce the positive impact of its business activities on society.

It uses its expertise to foster sustainable, inclusive, transparent growth, helping to maintain trust in a fast-changing environment.

CSR – serving tomorrow's world

Bureau Veritas has identified long-term structural trends that drive its strategic approach. Population growth, increasing scarcity of natural resources, climate change, global brand protection and shorter product life cycles are challenges that the Group must anticipate by designing ever more effective, responsible and safer services.

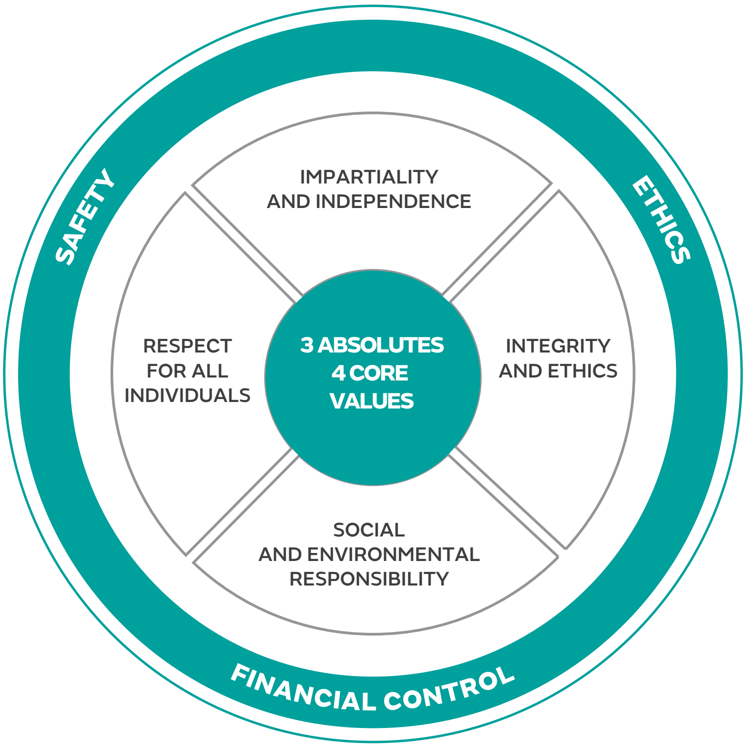
The new, more open and digitalized global economy is prompting companies and organizations to completely rethink their relationships with their employees, clients and suppliers. Bureau Veritas sees these changes as opportunities.

A CSR strategy which supports and contributes to the Group's economic performance

Bureau Veritas' strategic roadmap through to 2020, as described in section 1.5 of this Registration document, is based on four drivers. Human Resources, within which CSR plays an important role, is one of these drivers.

CSR at the heart of our core values and "absolutes"

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



2.1.2 CSR oversight

The Group's CSR organization was enhanced in 2015 when the strategic roadmap for 2020 was defined. This strenghtened organization aims to improve the coordination and oversight of all initiatives set up within the Group, while allowing active input from all internal stakeholders concerned with the development and implementation of the Group's CSR policy.

In April 2015, the Board of Directors entrusted the Appointments and Compensation Committee with monitoring the Group's CSR strategy.

At the executive level, the Group's Executive Committee handles CSR issues. Under the responsibility of the Group Human Resources Director, the Executive Committee defines the Group's CSR vision and strategy, approves and publishes its CSR policy, procedures and key CSR indicators, and reports to the Board of Directors.

A dedicated organization has been set up at the level of the corporate support departments, led by a CSR Steering Committee. This committee, which also reports to the Group Human Resources Director, comprises representatives of the relevant corporate departments responsible for their own area of expertise and reporting. These departments manage their network of internal correspondents within the operating groups.

For example:

- governance issues relating to ethical conduct are monitored by the Legal, Risk & Compliance department;
- issues relating to recruitment, inclusiveness and labor relations fall under the responsibility of the HR department;
- issues relating to safety and environment are managed by the Quality, Health and Safety department;
- issues relating to purchasing are managed by the Purchasing department;
- issues relating to Corporate Social Responsibility are managed by the Communication department.

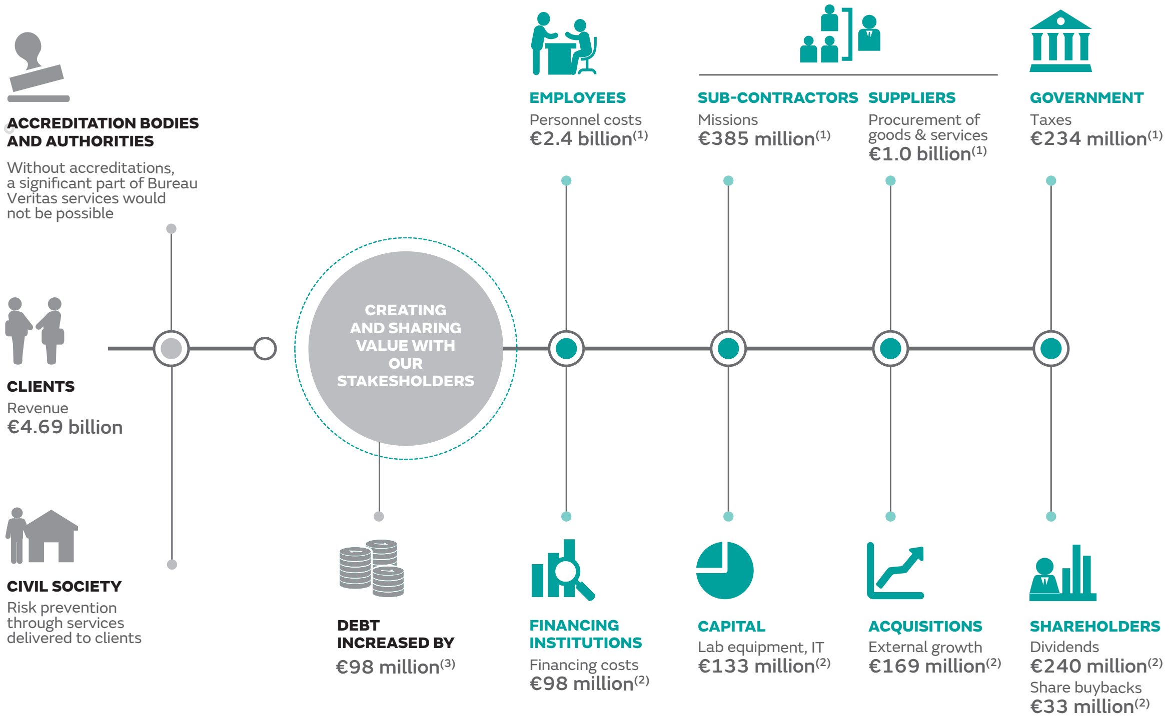
2.1.3 Stakeholders

The Group's key stakeholders include:

- employees: direct internal stakeholders;
- shareholders: indirect internal stakeholders;
- clients, suppliers, subcontractors and accreditation bodies: direct external stakeholders;
- civil society in a broad sense: indirect external stakeholders as Bureau Veritas provides services with a positive impact on quality, health and safety as well as protection of society and the environment.

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

Economic performance shared with stakeholders



(1) 2017 P&L impact.
(2) 2017 cash impact.
(3) Adjusted net debt.

Dialogue with stakeholders

STAKEHOLDERS	BUREAU VERITAS CONTACTS	KEY CONCERNS	PRINCIPAL MEANS OF DIALOGUE
CLIENTS	→ Executive management → Account managers → Business line heads → Business unit managers → Quality management	→ Service quality → Safety → Technical expertise → Impartiality and integrity	→ Client satisfaction surveys; sales and technical meetings to anticipate long-term trends and ensure that the organization responds to client needs; Internet portal; client seminars; breakfast briefing on technical issues
STAFF	→ Executive management → HR department → Employee representatives	→ Training on mobility employability → Safety at work → Inclusiveness → Fair pay → Non discrimination → Ethics	→ Annual evaluation → Internal communication campaigns → Intranet → "BV flash" newsletters
ACCREDITATION BODIES AND AUTHORITIES	→ Business line heads → Experts, technical advisors → Technical departments	→ Regulatory compliance → Transparancy and trust → Expertise in drawing-up standards	→ Technical committee and working groups to define new standards and regulations → Accreditation audits → Responses to public consultations
SUPPLIERS AND SUBCONTRACTORS	→ Purchasing department → Business line managers → HR department → QHSE department → Legal, Risk and Compliance department	→ Long-term business relations → Fair treatment → Performance assessment → Working in a safe environment	→ Responses to CSR questionnaire → Calls for trender contraining compliance clauses regarding Group CSR and Code of Ethics → General terms and conditions of purchase → Standard contracts → Training → Meeting discussing the process for classifying suppliers and subcontractors → Monitoring of the implementation of contracts and framework agreements
CIVIL SOCIETY	→ Local management → Head of external local communication	→ Prevention of social and environmental risks → Safety → Respect for fundamental liberties and civil rights → Business ethics	→ Events, communication activities → Training activities → Tradefairs and exhibitions → Group Compliance Program
HIGHER EDUCATION	→ HR department	→ Sharing skills and expertise with students → Career planning assistance	→ Student career days → Partnerships with certains schools → Work placement programs
GOVERNMENT PUBLIC ATHORITIES	→ Executive management → Technical departments → Legal, Risk and Compliance department	→ Economic development → Job creation → Environmental and safety programs → Compliance with the law and regulations	→ Relations with governmental authorities → European Commission → Group Compliance Program
SHAREHOLDERS	→ Executive management → Finance department → Investor Relations department → Legal, Risk and Compliance department	→ Transparency and ethics → Financial and ESG performance → Strength and growth	→ Shareholders' Meetings → Roadshows → External website → Letter to shareholders → Conferences, meetings → Registration document → Group Compliance Program
FINANCIAL INSTITUTIONS ESG ANALYSTS AND RATING AGENCIES	→ Executive management → Finance department → Treasury and Financing department → Investor Relations department → Legal, Risk and Compliance department	→ Transparency and ethics → Financial and ESG performance → Strength and growth	→ Registration document → External website → Roadshows, conferences, meetings → Responses to ESG questionnaire → Group Compliance Program

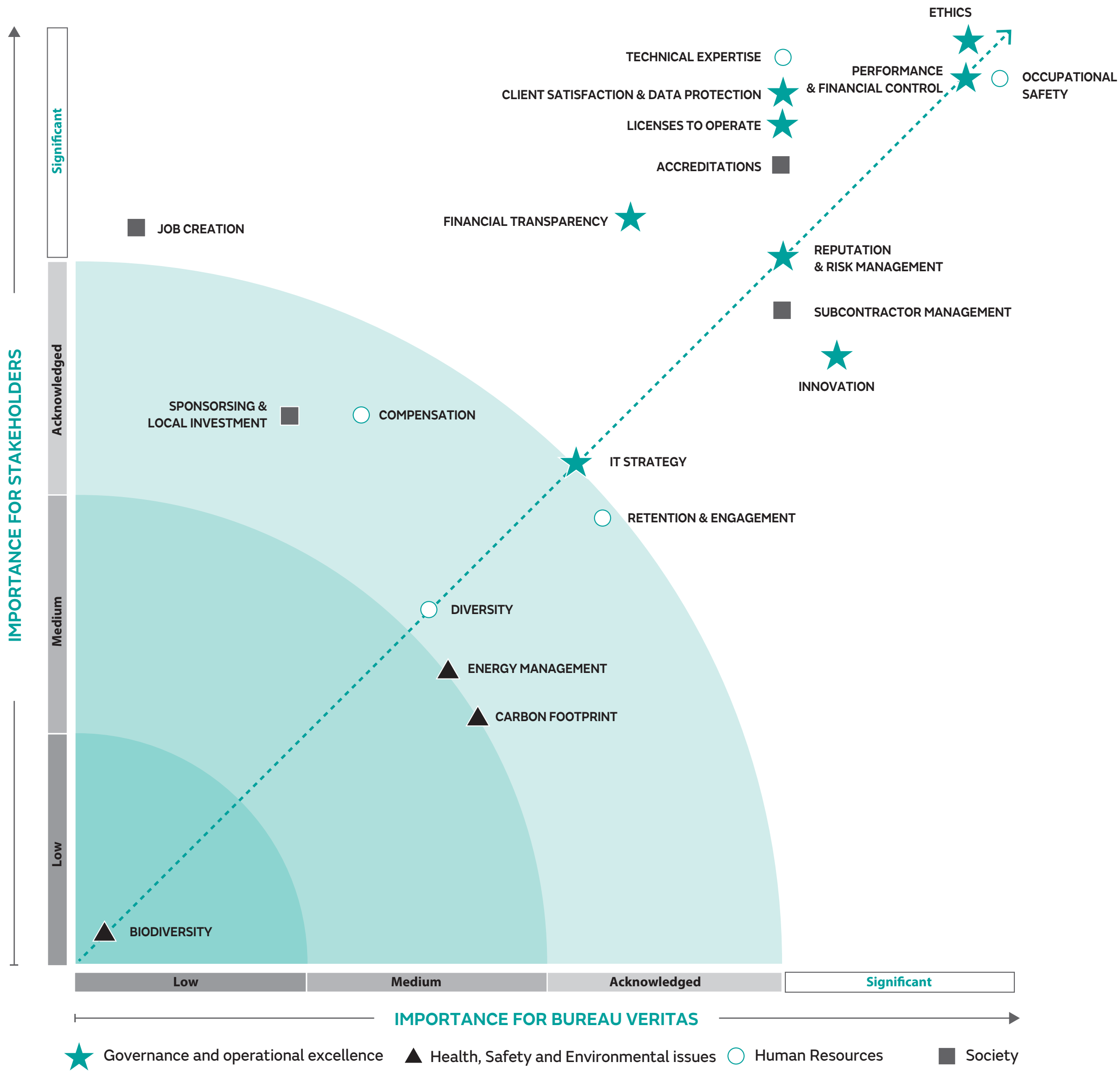
2.1.4 Key issues – “materiality” matrix

In order to better define its priorities and adapt its resources and investments in an appropriate manner, Bureau Veritas developed a materiality matrix in 2014 covering all of its businesses, assisted by working groups made up of internal experts from the relevant support departments. In 2015, this initiative was rounded out by a series of workshops organized with a sample of external stakeholders located in France and the United States.

Key issues were identified in a three-step process:

- an inventory of cross-cutting issues was drawn up concerning all companies, the Group’s industry and Bureau Veritas itself;
- major issues were identified;
- the importance of these issues was measured and ranked on a scale of 1 (insignificant issue) to 4 (extremely significant issue) based on two criteria: “importance for Bureau Veritas” and “importance for stakeholders.”

20 challenges were then identified by the Group and organized into four themes (Governance and operational excellence, Health, Safety and Environmental issues, Human Resources and Society) illustrated in the diagram below:



2.2 Governance and operational excellence

2.2.1 Ethics, an "absolute"

Group Code of Ethics

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

The Code of Ethics applies to all Group employees and complies with the requirements of the International Federation of Inspection Agencies (IFIA). It is regularly updated to reflect changes in the Group and in its regulatory environment.

It has four core principles:

(i) the Code of Ethics must be applied rigorously;

(ii) our conduct must always be governed by the principles of transparency, honesty, and fairness;

(iii) we are committed to fully complying with the laws and regulations of the countries in which we operate;

(iv) we are committed to fighting corruption.

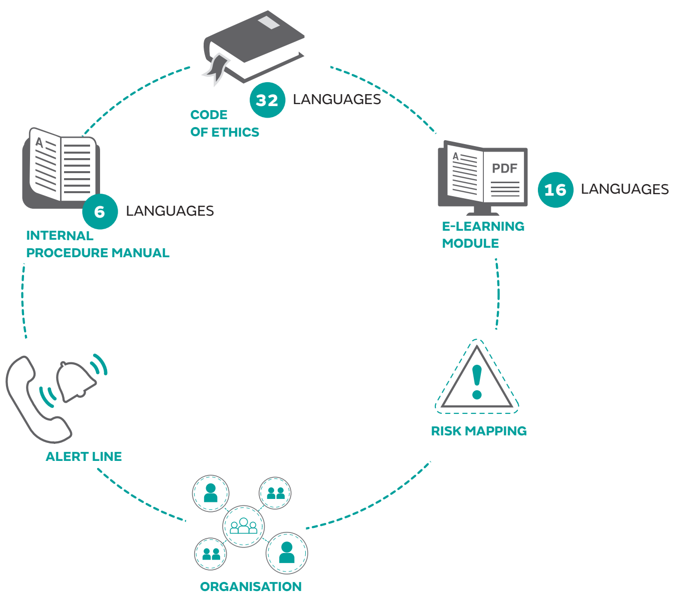
Complying with these values and ethical principles has become a key competitive advantage for the Group and a source of pride for all employees. All employees must ensure that their day-to-day decisions are taken in compliance with the Code of Ethics. Disciplinary measures that may lead to dismissal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

Similarly, the Group's business partners such as intermediaries, subcontractors, joint-venture partners and key suppliers are also required to take note of and commit in writing to act in compliance with the Code of Ethics when dealing with Bureau Veritas. In 2018, the Group will circulate a Code of conduct dedicated to its commercial partners, who will have to comply with it when they do business with Bureau Veritas.

Group compliance program

Worldwide program

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



Since 2016, the e-learning module pertaining to the Compliance Program has been transferred to the Group's dedicated MyLearning 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. A quarterly reporting system has been set up to monitor the number of trained employees and to take the necessary steps to ensure that the training rate is close to 100%. At December 31, 2017, 98.6% of the Group employees had followed the Compliance Program training.

Regularly reinforced procedures

The fourth version of the Code of Ethics is available on the Bureau Veritas website at the following address: http://www.bureauveritas.fr. This version is being revised to reflect recent legislative and regulatory changes.

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

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

Each operating unit has a dedicated manual covering its own specific legal, risks and ethics issues made in compliance with the rules applicable to the Group as a whole.

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

Monitoring of the implementation of the Compliance Program

An organization with dedicated resources

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

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

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

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/her authority. To this end, he or she is required to provide a copy of the Code of Ethics to all of his or her employees, to ensure that they are trained, to inform them of their duties in simple, practical and concrete terms, and to make them aware that any violation of the Code of Ethics constitutes a serious breach of their professional obligations.

Global yearly assessments

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

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

Complying with Bureau Veritas' ethical principles and rules is also taken into account in managers' annual evaluations. Each manager is required to confirm compliance with the Group's ethical standards during his or her annual evaluation. Employees may contribute to improving the Code of Ethics during annual evaluation interviews, training sessions and departmental meetings. 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

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

In addition, the compliance program is subject to a yearly external audit, following which an independent audit firm issues a certificate of compliance to the Compliance Officer, who subsequently sends it to the IFIA's Compliance Committee. Each year, the Compliance Officer presents the findings of this audit to the Executive Committee and subsequently to the Audit & Risk Committee.

Centralized and systematic processing of complaints through a professional alert hotline

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

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

2.2.2 An operating model designed for excellence

The “Lean Management” approach: an operating model for re-engineering processes

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

As part of the strategic plan for 2020, six transformation initiatives focused on the Group’s operating fundamentals were launched. These initiatives have led the operating teams to rethink their way of working and enable them to identify areas for improvement in their organization. The improvements and tools implemented through “Lean Management” projects reduce work times and optimize travel with a view to improve the services provided to the clients.

These improvements also have an effect on the environment and carbon footprint since the optimization of processes lessens the use of consumables in the offices and laboratories and provide ways to reduce the amount of waste.

For example:

- simplified order-taking by the client portal and mobile applications which provide instant reports reduce paper consumption and the related mail volume to a strict minimum;
- the optimization of the inspectors’ routes, in addition to improving business efficiency, reduces road-related risks and helps decrease fuel consumption.

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

A quality management system

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

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

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

Bureau Veritas’ Quality, Health and Safety department looks to develop and ensure compliance with the quality processes within the Group. These procedures have been certified ISO 9001 by an independent international body. This continuous improvement of processes is based on a structured network of “Quality” managers allowing Bureau Veritas to deliver reliable and consistent services to its clients across the globe.

2.3 Human Resources

The men and women working for Bureau Veritas are the Group's most valuable asset. The growth and success of the Group are closely linked to the performance of its employees, mainly engineers, technical experts and other qualified QHSE professionals.

Bureau Veritas employees proudly serve the general interest by helping to reduce social risks. Bureau Veritas wants to promote this commitment among the younger generations who wish to join the Group and are looking for meaningful careers.

The Group is also committed to creating opportunities for skills building, training and mobility throughout its employees' careers, as well as encouraging their ability to innovate, a decisive competitive factor enabling the Group to adapt to technological change and offer innovative solutions to its clients.

2.3.1 Optimizing workforce management

The Group's Human Resources priorities are an essential component of its growth strategy.

Headcount trends

In 2017, Bureau Veritas' headcount increased at a faster pace than in 2016. At December 31, 2017, the Group had 73,417 employees, an increase of 6.3% compared with the end of 2016.

(number of employees)	December 2017	December 2016	December 2015
Europe	15,776	15,160	14,673
o/w France	7,967	7,683	7,630
Africa, Middle East and Eastern Europe	8,739	8,535	8,878
Americas	20,512	19,058	17,947
Asia Pacific	28,390	26,289	24,497
TOTAL HEADCOUNT	**73,417**	**69,042**	**65,995**

The geographic spread of Bureau Veritas' employees is closely linked to the trends in the markets in which the Group does business.

Bureau Veritas is continuing to expand in North Asia. With a total of 14,562 employees, China represents 20% of the Group's total headcount and increased its headcount by 16% in 2017.

In Latin America, Brazil and Colombia increased their headcount significantly with 17% growth in Brazil and 20% in Colombia, due to the access to various additional markets.

Movements in headcount

	2017	2016	2015
New hires[(a)]	13,101	12,362	11,021
Acquisitions	2,541	1,869	1,559
Layoffs	4,558	5,648	4,898
Voluntary departures	8,294	8,366	8,753

(a) Permanent contract (or similar).

An active and modern recruitment policy

Bureau Veritas pursues an active and modern recruitment policy to support its long-term growth and development. The Group offers a wide range of career opportunities to its staff in terms of business diversity and geographical mobility.

The Group has been stepping up its presence on social media since 2014, by developing an active global profile and regularly reporting on its activities on LinkedIn, Facebook and Twitter. Videos, employee testimonials and a broad range of employment opportunities are also posted online.

In 2017, the Group launched its “Digital Ambassador” program through which it identified, trained and provided ongoing support to 150 employees – mainly from Human Resources – to effectively use social media and promote the Group’s digital notoriety through a well-defined approach.

At the same time, the Group continues to reinforce its partnerships with engineering and business schools and with universities by participating in forums or sponsoring special events.

The Group’s acquisitions also contribute significantly to the growth of its headcount. Bureau Veritas acquired seven companies in 2017, adding over 2,500 employees to its workforce. Welcoming and integrating these new employees is a priority for the Group. To be as close as possible to these new team members, the integration plan is defined locally and aligned with the acquired company’s specific situation, environment and characteristics.

In 2017, the Group had a voluntary attrition rate of 10.7%, a constant rate compared to 2016 (10.8%). The specific reasons for which employees leave the Group are identified locally and discussed during exit interviews held by the local HR teams. Bureau Veritas analyzes these factors to tailor its Human Resources management policies to the labor market’s local context and requirements.

Facilitating the integration of new employees

The Group gives its new employees a professional and efficient welcome by enabling them to rapidly assume their new duties and feel comfortable in their new environment. New recruits are invited to log on to MyLearning, the Group’s e-learning platform, and to go through the Group’s induction programs, in addition to an induction process provided at the local level:

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

Digitalization of Human Resources processes

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

At the end of 2017, the Group spread out the "Success Factors" solution in all countries where it operates.

Through this tool, the Group endeavors to harmonize and simplify its processes and reduce the processing times of the administrative tasks for the benefit of higher value-added activities: identifying or recruiting talents, career development, internal mobility, etc. HRIS’s implementation within Bureau Veritas contributes to reinforce the role of the Human Ressources which are crucial partners for the management of the Group.

2.3.2 Nurturing and retaining talent

Succession plans and talent identification and support

At December 31, 2017, the Group had 1,729 managers. The average age of these managers is 48. This relatively high average age, which is similar to 2016, can be explained by the high degree of expertise required by the Group’s specific and complex businesses.

Given this specific feature, Bureau Veritas commits to identifying formalized succession plans covering all its managers.

Since 2012, through its “Organization & Leadership Development Review”, the HR department has identified potential successors for managerial positions and set up a specific career transition review for these positions.

In 2017:

- 192 executive positions were reviewed at Bureau Veritas’ headquarters together with the Group’s Chief Executive Officer;
- 1,220 management positions were reviewed by the regional operational departments concerned.

At the end of this process, the talent identified are specifically monitored at Group or local level in order to prepare them to their future roles.

For example, in France, three plans were put into effect:

- Selecting and supporting new managers. This process aims to assess the ability and train internal candidates for the position of head of department.
- Bringing together a group of talents, which aims to make employees identified for their high potential, participate in a multidisciplinary project and to provide them with the necessary support.
- Setting up of a professional development group, which aims to train employees in order to help them acquire new professional practices.

Promoting internal mobility

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

This policy is being rolled out through four tools:

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

Creating a performance-driven culture

Developing a performance-driven culture is a challenge for the Group. It implies that all employees adopt the Company's corporate vision and project. In order to foster the committment of its employees, Bureau Veritas wants to provide a stimulating work environment in which employees feel valued and empowered.

Building a strong employer brand

Bureau Veritas seeks to maintain a strong, attractive brand image.

Bureau Veritas received several awards in 2017. For example:

- In the United Kingdom, it was awarded Britain's Top Employers label for the sixth year in a row. This certification was awarded by an independent organization (CRF Institute) in recognition of the excellent working conditions provided by Bureau Veritas.
- For the second year in a row, Bureau Veritas received the United Kingdom's Gold award from Prince William, the Duke of Cambridge, in recognition of its induction program in favor of British army veterans. Indeed, the Group has committed to support the armed forces community by recruiting army veterans and giving them the opportunity to build a second career.
- For the second year in a row, Bureau Veritas' "Consumer Products" division in Asia was awarded the Employment Excellence label by the government of Taiwan. This award completes a series of awards received in the last few years in recognition of Bureau Veritas' inclusive culture, including: Best Partner in 2015, Employment Excellence in 2014 and Excellent Grading in 2013. The availability of the jobs for local candidates, positive working environment and the organization of federative events for the employees, were key criteria for the winning of such awards.
- In Hong Kong, for the second year running, Bureau Veritas received the Good Mandatory Provident Fund Employer award granted to companies with the most exemplary pension benefits programs for their employees.
- In France, Bureau Veritas was included for the second consecutive year in the "2017 Universum France" ranking in the category of the companies, the engineering students and recent graduates dream about. Bureau Veritas was also ranked in first place in the "Experienced Engineers" category of the same ranking.

Lastly, the Bureau Veritas headquarters participated for the second year in a row in the "Special Olympics" event, where athletes with disabilities team up with Bureau Veritas employees in order to experience together the magic of sports through a sporting event (indoor soccer in 2017 and kin-ball in 2016).

Motivating employees through compensation

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

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

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

In addition, since 2007, a Group savings plan has been established (see section 2.3.5 of this Registration document).

Employees of the Company and its French subsidiaries also benefit from profit-sharing agreements. Information related to these agreements can be found in section 2.3.5 of this Registration document.

Information relating to personnel costs can be found in Note 8 – Details of the operating result attached to the consolidated Financial Statements provided in section 5.1 of this Registration document.

2.3.3 Becoming a learning organization

Personal development and training are key goals of the Group's HR strategy which allow Bureau Veritas to maintain its employees' expertise aligned with its businesses and to offer interesting career paths.

For 89% of the Group's total workforce, Bureau Veritas recorded a total of 1,350,511 hours of training in 2017, representing an average of 21 training hours per employee for this year. In parallel, Bureau Veritas is continuing to develop a uniform training indicator in all of its host countries so that it can ultimately publish data at the level of the entire Group.

Broadening access to knowledge

Bureau Veritas wants to expand the range of learning tools offered to its employees in order to support their development throughout their career. Several initiatives overseen by the Group or developed by local entities have been implemented.

In 2017, Bureau Veritas supported the development of 34 high potentials with the aim of promoting them to higher-responsibility positions within the Group in the short and medium term. This program, called "BV University", is organized like American Universities with Colleges overseen by a dean, responsible for the quality of the content.

Two Colleges have been launched on the basis of the priorities of the 2020 strategic plan: Marketing & Sales and Project Management.

The 34 participants, from 19 different countries, met for one week in Paris in March then in Houston in June and finally Shanghai in September. Each week was organized around a specific training subject and included various activities: role plays, simulations, workshops, meetings with clients, etc. Between sessions, participants completed e-learning modules and took part in two serious games each lasting approximately eight hours which were focused on negotiating and management.

This program was an opportunity for the participants to acquire new skills as well as meet Bureau Veritas executives from each continent while also developing their internal networks.

In Europe, Bureau Veritas' European Development Center, created in 2016, is designed to enable talents pre-selected in Europe to develop managerial skills in an international context. This one-year-long program alternates between seminar periods, mentoring and remote working periods. In 2017, 12 European employees identified as high potentials benefited from this training.

The Group is also working to develop its policy of digitalization of the training it provides to its employees.

Through a single platform for the entire Group named "MyLearning", the e-learning offer, initially focused on technical matters, was broadened in 2017 through the addition of 110 micro-learning type courses on cross-cutting subjects, in order to develop the managerial culture and bolster professional effectiveness. This offer was structured around three managerial modules: manager (first level), manager coach and inclusive manager.

Lastly, as part of the annual performance review, all Group managers had an online module to complete which covered two key subjects: "Giving feedback" and "Managing and motivating diverse teams" in order to support them during the annual performance reviews.

In December 2017, 65,000 Bureau Veritas employees obtained a MyLearning license, i.e., 88% of the Group's workforce. These employees are therefore able to develop their expertise on a daily basis through technical, commercial, managerial, leadership and safety training.

Technical upskilling and accreditations

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

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

2.3.4 Creating an inclusive culture

An inclusive culture enables each and every employee to reach his/her full potential. Inclusiveness goes beyond diversity alone, since it implies that the values that the Company upholds enable all forms of diversity – age, gender, geographic origin – to express themselves and work effectively. Bureau Veritas wishes to share this "inclusive" culture to all its employees so that they think in a broader and more cross-functional manner.

The "BV University" program described above will help to achieve this goal with its aim of giving tomorrow's leaders an opportunity to get to know each other and work together in an international and multicultural environment.

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

- global, because the strategy provides Bureau Veritas' 140 host countries with a shared framework known as "Gender plus one". This program aims to help each operating group and division focus on two issues:
  - improve the gender balance within its teams;
  - define and implement an additional inclusion initiative covering a matter in relation with local priorities.

- comprehensive, because the strategy aims to promote the broadest possible range of profiles within the Group and to unlock the potential of all team members by creating a working environment that encourages each person to express their ideas or comments relating to the improvement of the Group performance.

In 2017, the Group began to implement the recommendations that were presented to the CEO at the end of 2016 by the Inclusion Advisory Board, created in early 2016 and made up of 11 Senior Executives.

Various initiatives were launched in 2017: webinars on inclusion for Human Resources members (with a focus on recruitment issues), inclusion awareness-raising for managers, a poster campaign in the United States, etc. The Group's Executive Committee and its 140 most senior managers all had an inclusion-related objective among their annual objectives.

The "Inclusion in motion" internal letter provided to all Group employees tackles inclusion from all angles: as a major issue, at the individual country-level, key indicators and personal testimonials.

To get the most out of this diversity, Group employees throughout the organization must voice the Group's values of equality and inclusion within the whole Group. An e-learning awareness-raising module, which focuses on the inclusive behavior expected from all Group employees, will be made available to all Group employees in 2018.

The Group's European offices have launched a certification process in four countries for the "GEEIS" (Gender Equality European and International Standard) label, a symbol of the mobilization of the Group's entities on the inclusion issue.

At the end of 2017, the initial results were already visible: Bureau Veritas made progress in the "Ethics & Boards" ranking on the increased female representation on management bodies as it reached the 80th rank which constitutes a significant gain of 26 places since 2015. Moreover, in April 2017 Natalia Shuman joined the Group as Executive Vice President in charge of North America and is the first female member of the Group's Executive Committee.

Fighting discrimination

Respect of all individuals is one of the Group's core values. By joining Bureau Veritas, all of the Group's employees agree to respect differences, which excludes any form of discrimination related to nationality, ethnic origin, age, gender, religious or political beliefs. Bureau Veritas endeavors to constantly encourage and reinforce diversity within its teams, which is considered as a source of enrichment and success. This interest for diversity is particularly evidenced through the composition of Bureau Veritas' Executive Committee, where 36% of its members are foreign citizens.

"Diversity" policies have been formally introduced at local level. "Employee handbooks" describing anti-discrimination policies are distributed to employees in several countries, in order to raise awareness on these issues.

Initiatives run within entities are monitored and upgraded over time.

For example:

- In the US, as part of the reinforcement of the Equal Employment Opportunity policy, Bureau Veritas put in place recruitment action plans for racial minorities, veterans, women and people with disabilities in its branches and offices in recent years. This policy has borne fruit since in 2017; racial minorities represented 35% of Bureau Veritas' task force in the US.
- in South Africa, Bureau Veritas continued its actions to fight inequality in connection with the government-backed "Broad-Based Black Economic Empowerment" program. In 2017, Bureau Veritas South Africa again donated 1% of its net after-tax profit to "Maths Centre", "Ubuhle" and "Dream Girls", organizations involved in the education of children, particularly girls, in primary schools.
- In Ivory Coast, Bureau Veritas continues its partnership with the Ministry of Employment and Social Affairs to strengthen initiatives designed to provide a job to vulnerable populations, notably women, disabled people and first job-seekers over 35. This year, Bureau Veritas Côte Ivoire participated in various events aimed at promoting the employability of disabled persons.

Promoting a better gender balance

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

Among the Group's worldwide headcount at the end of 2017, 70% were men and 30% women.

In line with the launch of its "Gender plus one" program in 2016, the Group strongly encourages initiatives aimed at increasing the share of women within its workforce and the first signs of progress are already apparent:

- as of December 31, 2017, the percentage of women in the Group's executive management team was 14.5%, versus 12% one year earlier. Bureau Veritas has set a goal of raising this percentage to 25% by the end of 2020. This ambitious target has been widely circulated in house; the percentage of women in the Group's junior management positions is 19%, the same percentage as in the previous year;
- in its succession plans, women represent 27% of the potential successors identified in 2017 for the Group's executive positions. Last year, this percentage amounted to 18%. This indicator and its change over time are being closely followed at Group level.

In order to help meet this ambitious objective, in France, the talent and development groups identified in the processes initiated by Human Resources are systematically perfectly balanced between men and women.

Inclusive recruitment policy

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

Enrichment through difference

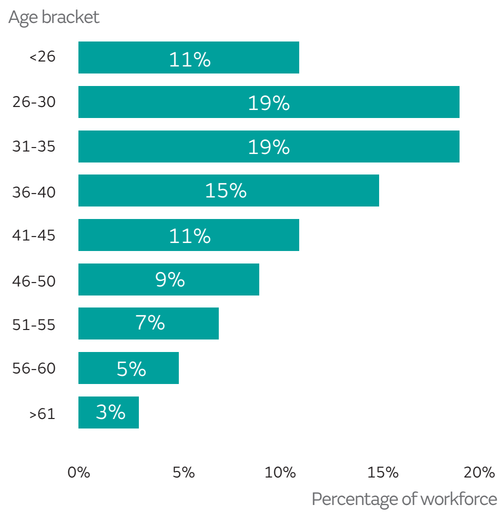
Bureau Veritas seeks to create favorable conditions allowing people with disabilities to have access to employment.

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

Since the agreement was signed, the employment rate for people with disabilities in France has increased, up to 2% in 2017 from 1.89% in 2013.

Getting the most from age diversity

As of December 31, 2017, the average age of the Bureau Veritas workforce worldwide was 38. This figure applies to a zone covering 97% of the Group's workforce.



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

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

For example:

- In France, recruitment teams strive to create a pool of young talents. In 2017, employees recruited on work-study contracts represented 17% of all new hires. In addition, 43% of all new hires on permanent contracts in 2017 concerned people under 30, which constitues a 5% increase compared to 2016.
- In the United Kingdom, to retain and protect its oldest employees, Bureau Veritas offers them numerous possibilities to organize their work by giving them a role as mentors or consultants or by offering them part-time work solutions. Since 2012, Bureau Veritas United Kingdom has also participated in a program that gives veterans an opportunity to continue their career paths in a corporate setting.

2.3.5 Constructive labor relations

Work organization

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

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

As an example, 538 employees of the Group in France, i.e., 7.3% of the Group's workforce in France, worked part time in 2017, which is in line with the previous years (7.6% in 2016, 7.7% in 2015 and 7.8% in 2014).

Absenteeism

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

Of 96% of the Group's total headcount, the absenteeism rate in 2017 was 1.2%. This rate takes into account the total number of days of absence that cannot be planned in advance (due to illness, workplace accidents, or unauthorized absences) to get a better view of the level of commitment of the employees.

Labor relations

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

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

Personnel representative bodies	Such bodies exist in most of Bureau Veritas' key countries: Canada, China, France, Spain, Italy, the United States, Japan, Germany, the Netherlands, Belgium, Czech Republic, Australia, Singapore, India, Thailand, Malaysia, Russia, Ukraine and most of African countries (Senegal, Mali, Ivory Coast, Benin, Togo, Gabon, Congo, Angola and South Africa). They take various forms depending on local legislation and the size of the workforce. They are generally made up of personnel delegates, works councils, health and safety and working conditions committees (CHSCTs), union representatives, etc.
Committees	Employee committees have been set up in Singapore, Vietnam, the United States, Germany, Spain, France, Belgium, the United Kingdom and Canada. In China, a discussion meeting open to all personnel is held each year to enable a dialogue with employees on subjects such as training and career development.
European Works Council	The European Works Council facilitates information and consultation with employees on transnational issues and represents a strong channel for constructive labor relations. The terms of office were renewed in early 2017. It currently has 30 representatives from European countries. The European Works Council is regularly informed of the Group's economic and financial situation and the likely direction of its businesses and divestments. It is also consulted on the employment situation and trends, investments, significant changes in organization, the introduction of new working methods or new production processes, mergers or discontinued activities, and large-scale redundancies.
Collective agreements	Collective agreements covering key HR issues (organization of working hours, compensation policy, working conditions, etc.) have been signed in Bureau Veritas' main markets: Argentina, Australia, Brazil, Canada, Chile, France, India, Italy, Mexico, the Netherlands, Peru, Russia, Singapore, Spain, Ukraine and Vietnam. There are 14 company agreements currently in force within Bureau Veritas SA. These agreements set out the conditions for labor relations, describe the modus operandi for employee representative bodies, and discuss a variety of other issues such as health care costs and personal insurance. With respect to workplace health and safety, over 40 committees have been identified, created further to local requirements or OHSAS 18001 certification initiatives providing for employees' participation and consultation. No additional agreements arose out of these committees in 2017.

Profit-sharing agreements

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

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

Statutory profit-sharing

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

In 2017, statutory profit-sharing represents €8,155,526 for a total of 7,458 beneficiaries.

Contractual profit-sharing

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

	2017	2016	2015
Number of beneficiaries	7,458	7,005	6,948
TOTAL CONTRACTUAL PROFIT-SHARING (IN EUROS)	**7,024,162**	**2,989,972**	**12,994,953**

Group savings plan

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

The Group Savings Plan comprises seven mutual funds in which €157,677,256 were invested as of December 31, 2017.

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

Promotion of and compliance with the fundamental conventions of the International Labour Organization

Bureau Veritas endeavors to comply with and promote the fundamental conventions of the International Labour Organization (ILO) in all the countries in which it operates.

The ILO’s fundamental conventions cover various topics, including respect for freedom of association and collective bargaining, the elimination of discrimination in respect of employment and occupation, the abolition of forced labor, and the abolition of child labor.

2.4 Health, Safety and Environmental issues

For Bureau Veritas, safety is an “absolute”, a non-negotiable priority without which the business could not continue.

The Group’s safety culture, driven by the goal of being a zero-accident company, is a significant factor in forging internal cohesion as well as a key focus. The Group’s expansion into new countries and industrial sectors gives rise to many challenges. These challenges have been identified by Bureau Veritas thanks to the unwavering commitment of its management and the expertise of its Health, Safety and Environment (**HSE**) managers. Since 2009, when the Group’s first series of reliable indicators were established, the number of accidents has fallen sharply. For example, the rate of accidents leading to lost work time is down by 72%.

The growth of Bureau Veritas has also had an impact on its environmental footprint, mainly in terms of electricity consumption and CO_2 emissions which are related to work-related travel. To reduce these impacts, Bureau Veritas has developed internal programs to lighten the Company’s carbon footprint.

In 2017, the Group focused on three priority areas: reducing the number of accidents caused by falls, increasing the number of safety briefings held by the management and securing the scope of the reporting on the environmental footprint.

2.4.1 A comprehensive HSE policy

The Group’s HSE policy has been defined to address the following challenges:

- successful integration of a large number of new employees each year into a growing Group;
- local harmonization of HSE practices in an international network of 140 countries;
- performance of a wide range of activities that carry different HSE risks;
- missions on client sites in working environments that the Group cannot control; and
- protection against the risk of road accidents during work-related travel.

Unwavering commitment of the Group’s Executive Management

In signing an “HSE statement”, the Group’s Executive Management has undertaken to enshrine safety at work, along with health and environmental issues, within the core values of the corporate culture. This clear undertaking reflects the Group’s long-term commitment to continuously improve its HSE performance.

This statement is available on the Group’s website (www.bureauveritas.fr). It includes the following commitments:

1. provide a safe workplace and safe working methods to prevent accidents and injuries to our employees;
2. prevent pollution, minimize energy consumption and waste;
3. increase employees’ HSE awareness and safe behavior;
4. comply with all relevant HSE legislation (regulations, internal policies, client requirements, and other applicable requirements).

These commitments are also reflected in the active participation of the Group’s Executive Management in the analysis of serious accidents, in the conduct of specific HSE reviews, by the setting of HSE certification objectives, and in the quarterly monitoring of performance indicators and action plans.

Setting of HSE objectives

Bureau Veritas undertakes to protect the safety of its employees and the environment by setting annual objectives in line with the Group's HSE vision and mission. Since 2015, Bureau Veritas' operating teams, supported by the HSE network, have been working towards the following goals:

Objectives	Progress as of December 31, 2017	Comments
Zero fatal accidents	Not Achieved	1 fatality in 2017
Reduce the frequency of accidents with lost work time and the frequency of all accidents by 10% Reduce the accident severity rate by 15%.	Achieved Achieved	
Secure the scope of reporting on the environmental footprint	Achieved	
Conduct initial HSE training for all new arrivals	Not achieved	Certain entities do not have reporting procedures. Roll out in 2018 of automatic and mandatory participation in "SuccessFactor".
Ensure that each employee attends at least six safety briefings per year	Achieved	
Roll out of two safety/accident prevention campaigns	Not achieved	Due to other Group priorities, the two campaigns could not be carried out. However, the two campaigns for 2018 have already been defined.
Obtain OHSAS 18001 certification for all the entities with more than 200 employees	Not Achieved	Due to extensive external growth, not all of the acquired companies are as yet included in the Group certification.

Details on these objectives are provided below.

A local and global HSE organization

Bureau Veritas has put in place the following HSE organization in order to provide an effective management at Group level and a consistent local implementation of objectives, programs and practices.

The strength of this organization lies in the balance between its network and the importance of its activities.

Title	Role and responsibilities	Supervision
HSE department	It defines global strategy, programs and tools.	Senior Vice President, Operational Excellence
HSE steering group	It helps to define the Group's HSE strategy and more specifically to select prevention campaigns.	Operating group management teams
HSE managers	They implement HSE policies, integrates the local constraints associated with the Group's various businesses, languages, cultures and regulatory contexts.	Regional and local management teams
HSE network	It reviews HSE performance during quarterly conference calls and annual seminars in order to set clear directions for HSE objectives and programs; participates in the development and implementation of new tools in order to share good practices.	Operating group management teams
Ionizing Radiation Safety Committee	It ensures that all activities using ionizing radiation equipment under Bureau Veritas' responsibility deliver their services safely.	Operating group management teams
Working groups	They work together on specific topics in order to deliver joint proposals to the Group.	HSE department

Certification objectives

The Group is seeking to obtain OHSAS 18001 certification for all the entities with more than 200 employees. In parallel, the Group strongly recommends that all entities obtain ISO 14001 certification.

Coverage of the Group headcount in relation to the following standards	2017	2016	2015	2014
ISO 14001	72%	79%	77%	68%
OHSAS 18001	82%	88%	85%	74%

Due to strong external growth in 2016, the Group certification coverage rate decreased slightly. Newly acquired companies have one year to be covered by the Group's certification. However, these rates only apply to Group certifications; some acquired companies have their own ISO 14001 or OHSAS 18001 certifications. Certification activities are excluded from this scope as they are subject to specific accreditation processes. Similarly, companies acquired in 2017 will not be covered by this certification program until 2018, so as to give them time to roll out and apply the Group's management system.

2.4.2 Protection of the health and safety of the employees

Health and safety indicators

Bureau Veritas has implemented health and safety indicators in each country in which it operates. These indicators have been defined according to World Health Organization guidelines.

An internal procedure defines the methods for collecting these indicators by way of a single tool that enables information about accidents to be reported in real time. They are collected from all of the Group's legal entities. A specific process is applied for the company acquired during the current year, which are systematically excluded at first from the Group's health and safety management system. These entities are integrated on a case-by-case basis after checking the reliability of data and more generally after at least one year of reporting.

Indicator	Definition	Unit	2017	2016	2015[(a)]	Objectives for 2017
Total Accident Rate (TAR)	Frequency rate of all accidents	Number of accidents with and without lost time x 200,000/Number of hours worked	0.49	0.61	0.67	-10%
Lost Time Rate (LTR)	Frequency rate of lost time accidents	Number of accidents with lost time x 200,000/Number of hours worked	0.22	0.26	0.30	-10%
Accident Severity Rate (ASR)	Severity rate	Number of days lost x 1,000/Number of hours worked	0.021	0.03	0.027	-15%
Fatality (FAT)	Number of deaths	Number of deaths	1	0	1	Zero

(a) *The 2015 rates have been revised following the change in method for calculating the number of hours worked. As from 2015, this number has been set at 160 hours per person and per month.*

The Group continues to make overall progress (TAR – 20%, LTR – 15%, ASR – 30%) thanks to the programs put in place to improve the analysis of root causes and the effectiveness of the measures adopted, as well as the day-to-day input of line management. In 2017, all accidents categorized as "serious" according to the Group's own criteria were closely monitored: the analysis of the accidents and the related action plan were reviewed by the HSE department and then presented by the line managers to their superiors at a specific meeting. This information is also provided to the Bureau Veritas' Chief Executive Officer during quarterly operating reviews. Moreover, all Bureau Veritas managers were given a safety management guide by their line managers or their HSE organization at their annual evaluations or during a meeting on these issues. This guide constitutes the basis for understanding the role of management in deploying the safety culture.

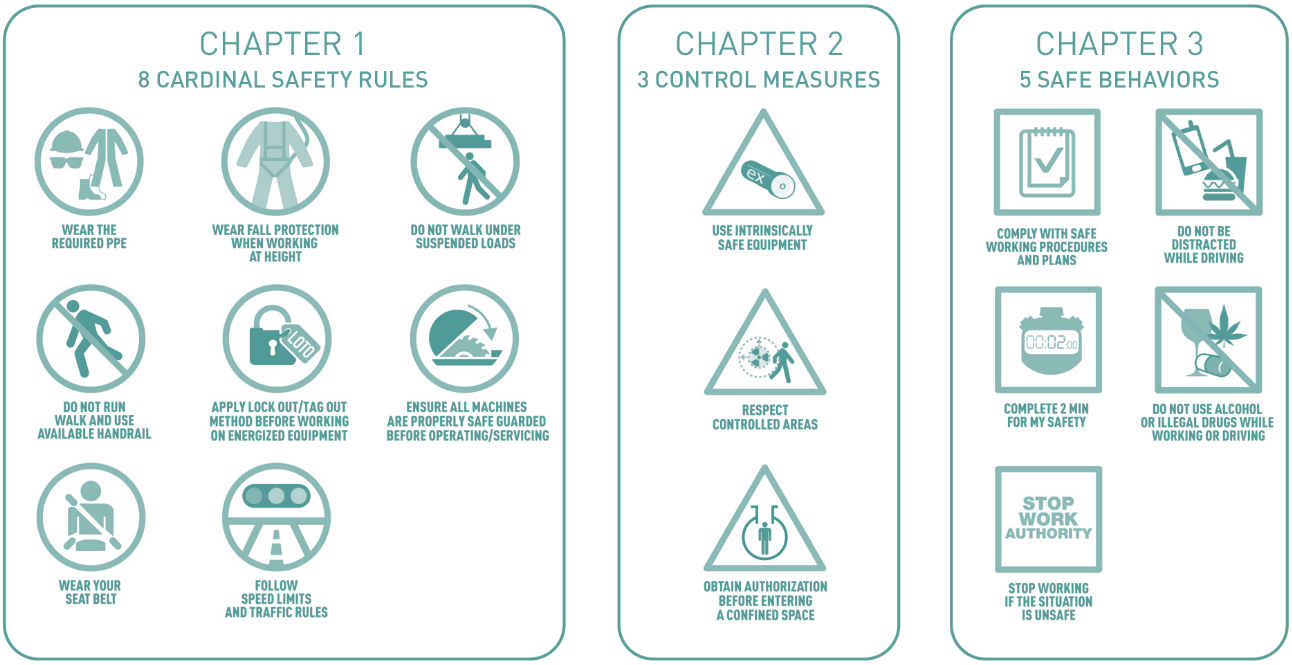
Priority programs

The decrease in the number of accidents is linked to the rolling out of appropriate programs. The Group is implementing a series of initiatives (some of which are described below), which are being developped locally, which help to ensure that practices and guidelines are consistent. Local action plans specific to the local entities' concerns and to their degree of maturity on certain issues are also in place.

Cardinal Safety Rules

The Cardinal Safety Rules ("**CSR**") define the fundamental safety rules of Bureau Veritas. These rules were enhanced in 2017 in order to make them more specific and clearer for all of the Group's employees. An e-learning module has been created to support the implementation of these modifications; this training module must be completed by each new employee during the induction process.

At present the Cardinal Safety Rules are divided into three major areas as shown below.



Analyzing the root causes of an accident

Analyzing the root causes of an accident is an essential factor of improvement and prevention. The internal accident investigation procedure was changed in 2015 to incorporate more effective tools for the identification of the root causes and the determination of appropriate long-term corrective and preventive measures. An e-learning module has also been developed to support this change and was rolled out in the second quarter of 2017 to all the relevant people who perform accident analyses. The causes of the most serious accidents, 57 in 2016, were analyzed by the management of the concerned entities together with the Group's Quality, Health and Safety department in order to raise managers' awareness of this approach.

Safety briefings

Safety briefings are a key preventive measure for accidents and are part of the Group's internal processes.

They help remind employees of the importance of safety in their day-to-day work, highlight areas of business requiring particular vigilance and help develop an open dialogue about these issues with employees. For employees, the briefings are an opportunity to share any doubts or suggestions for improvement they may have and are an important link in the knowledge chain.

In 2017, the Group set the goal of ensuring that each employee participates in at least six safety briefings per year. This goal was achieved to differing degrees across the Group, depending on the maturity of the entity in question.

Occupational illnesses

Occupational illnesses are monitored and reported locally, in accordance with applicable regulations, and local prevention plans are defined and put in place. Implementation of OHSAS 18001 certification within the Group drives local entities' commitment to continuous improvement.

The Group analyzes its activities to identify the main risks to which its employees are exposed and to define the appropriate control mechanisms. Two principal exposures have been identified: ionizing radiation and asbestos.

Ionizing Radiation

Ionizing Radiation (IR), such as X-rays and gamma rays, is emitted by mobile or fixed equipment used primarily to perform non-destructive testing. An Ionizing Radiation Safety Committee was created in 2007 and established a Group policy and procedure that must be followed in all Bureau Veritas operations using IR equipment. This policy establishes the maximum exposure threshold to which Bureau Veritas employees may be subject, the monitoring of this exposure and particularly its medical follow-up. Compliance with these requirements is verified for each entity at least every three years by internal experts. These audits are completed by annual self-assessments.

Asbestos

The main hazard linked to asbestos exposure is the inhalation of airborne fibers that may be released by Materials Containing Asbestos (**MCA**). For Bureau Veritas' employees, exposure may occur when services are performed in a work environment where asbestos is present, or during work on MCAs that may generate airborne fibers (inspection of boilers insulated with materials containing asbestos, decontamination of buildings, etc.).

To ensure that the exposure is under control, the Group has implemented an internal policy providing for a risk analysis for each operation. Beyond a certain density of fibers present in the air, a written plan to limit exposure is required and includes procedures for medical oversight. The key elements of this program are defined globally and must be communicated locally. In 2016, a training module designed by the working group on asbestos to raise the awareness of potential exposure (see the section above on HSE organization) was rolled out through the Group’s internal e-learning platform (MyLearning).

In France, four work-related illness claims were filed with the authorities in 2017.

2.4.3 Limiting Bureau Veritas’ environmental impact

Bureau Veritas’ environmental policy applies to all its activities. The Group sets annual targets for reducing the environmental impact and implements specific programs to reduce its most significant environmental impacts. Several action plans were implemented in 2017.

A recognized environmental commitment

Since 2009, the Group has voluntarily had all of its environmental practices and its overall CSR program evaluated by the ECOVADIS agency.

ECOVADIS is an independent non-financial rating agency which annually evaluates labor practices, environmental protection initiatives, business ethics and implementation of responsible criteria in the acquisition of companies operating in all business sectors. For some of the Group’s largest clients, a supplier’s evaluation by ECOVADIS is a pre-requisite for becoming an approved supplier.

In 2017, the Bureau Veritas Group received a 68/100 rating. Through this rating the Group continues to maintain an “Advanced” commitment level, thereby reaffirming its “Gold” supplier status according to ECOVADIS' criteria.

Reduction of CO_2 emissions

Given the nature of the Group’s activity as a service provider, its environmental impact is fairly limited. To get a better view of this impact, the sources of Bureau Veritas’ CO_2 emissions were mapped in 2008 through full carbon audits of a representative sample using the carbon footprint methodology created in 2004 by France Bilan Carbone. The results showed that 98% of Bureau Veritas’ total CO_2 emissions stemmed from work-related travel, the consumption of energy, paper and water, leaks of ozone depleting substances and waste generation. The breakdown of CO_2 emissions among these different sources varies according to the nature of the performed completed within the Group. Work-related travel was the main source of CO_2 emissions for inspection and office activities, for example, while energy consumption was the main source of CO_2 emissions for laboratories.

Based on these findings, the Group-led environmental programs and tools focused on these six sources while requesting more detailed reports on the data related to work-related travel and energy consumption.

The overall picture remains valid despite the Group’s growth and the increase in laboratory activities.

As a result, Bureau Veritas is determined to reduce its environmental footprint and minimize its normative energy consumption and carbon footprint relating to work-related travel. In order to do so, the Group sets annual objectives that are presented yearly to the CEO, CFO, and heads of the Legal, Risk & Compliance and Human Resources departments.

The Group’s environmental indicators are calculated based on the data gathered through the "Environmental and Carbon Reporting". These indicators are circulated to the Group’s Executive Committee and through the website.

To stabilize the scope of the data monitored and ensure its reliability through a detailed review of changes in consumption, the reporting period has been moved back by one calendar year. As a result, the data available for 2017 correspond to actual operations in 2016.

Energy consumption

To achieve the targets set by the Group, local action plans have been rolled out, documented and communicated. These action plans may be persuasive (information campaigns), behavioral (regulated watering, careful control of indoor temperatures, optimized lighting) or managerial (procedures, management systems).

For laboratory activities in 2016, reliable data for electricity consumption were collected for 17,759 employees, or 69% of the staff in the Group's laboratories with more than 25 people and 80% of Group laboratories with more than 25 people.

Given that the data for 2015 show that 80% of the total volume of electricity consumed by the Group was attributable to laboratories, and the remaining 20% attributable to offices, Bureau Veritas has chosen to focus on data related to the electricity consumption of the laboratory activities in laboratories with more than 25 people.

The data on energy consumption presented below concern electricity only. Gas consumption is not significant and therefore no longer included in this calculation.

The table below shows the electricity consumption of the Group's laboratories per person and per year for 2015 and 2016:

Energy in MWh/person/year	2016	2015
Laboratories	6.9	6.5

The table below shows the gross electricity consumption of Group laboratories in 2015 and 2016:

Energy in MWh	2016	2015
Laboratories	121,789	112,996

The gross energy consumption figure for 2016 presented here increased by 8% compared to the figure for 2015 published in the 2016 report. The reporting scope was constant between the two publications with 17,358 people in 2015 versus 17,759 people in 2016.

The standardized energy consumption rose by 5%, due to growth in the laboratories' activities.

CO_2 emissions

The "BV Carbon" tool developed internally in 2009 to measure the Group's CO_2 emissions and assess the efficiency of environmental programs has been consolidated within the "Environmental and Carbon Reporting tool" since 2014.

The following emission scopes are taken into account:

- Scope 1 – Direct emissions: sum of direct emissions resulting from burning fossil fuels such as oil and gas or from resources owned or controlled by the Group;
- Scope 2 – Indirect emissions: sum of indirect emissions arising from the purchase or production of electricity;
- Scope 3 – Other emissions: sum of all other indirect emissions including work-related travel.

By analyzing available data, energy consumption can be identified as one of the two areas of the business generating the majority of the Group's CO_2 emissions.

The 2016 results for the consolidation of the carbon footprint linked to electricity consumption for laboratory activities are identical to the electricity consumption results shown above in the "Energy consumption" section.

Work-related travel is the second largest contributor to CO_2 emissions. In 2016, reliable data on the offices' carbon footprint resulting from work-related travel were monitored for 24,172 employees, or 57% of the staff in the Group's offices with more than 50 people and 65% of the Group's offices with more than 50 people.

In view of the volume of CO_2 emissions resulting from work-related travel undertaken by office staff as compared to laboratory staff, Bureau Veritas has chosen to focus on office data for the offices with more than 50 people.

The initiatives described above and put in place in the Group's offices to reduce energy consumption allow it to continue reducing the Group's CO_2 emissions.

GROUP'S CO_2 EMISSIONS ARISING FROM ELECTRICITY CONSUMPTION – LABORATORIES

Energy	Tons of CO_2/person 2016	Tons of CO_2/person 2015
Laboratories	3.10	3.07

GROUP CO_2 EMISSIONS ARISING FROM WORK-RELATED TRAVEL – OFFICES

Work-related travel	Tons of CO_2/person 2016	Tons of CO_2/person 2015
Offices	2.35	2.46

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

Streamlining work-related travel

Bureau Veritas' businesses involve numerous visits to clients' premises, resulting in high levels of fuel consumption.

In order to reduce the CO_2 emissions, local initiatives have been put in place, mainly in France, Australia, Italy and Latin America.

In France, for example, teams are putting in place a program aimed at replacing vehicles, which are more than three years old, with more fuel-efficient vehicles in order to reduce average fuel consumption. This will reduce emissions resulting from work-related travel.

Pollution and waste management

Potential pollution that could result from the Group's office, inspection and laboratory activities is described in the table below. Compliance with requirements in connection with pollution is verified by local authorities and by ISO 14001 certification bodies.

Business	Potential pollution	Examples of action plans
Offices and inspections	Air conditioning equipment in offices, which may provoke refrigerant gas leaks Use of cars to travel to client premises	Appropriate maintenance contracts Recent vehicle fleet with low CO_2 emissions and training in eco-driving
Laboratories	Air conditioning equipment in laboratories that may provoke refrigerant gas leaks Testing equipment that may generate polluting atmospheric emissions Use of cars to travel to client premises Storage of chemical products and dangerous waste	Appropriate maintenance contracts Technical equipment to monitor emissions and procurement of necessary permits, regular emissions checks Recent vehicle fleet and training in eco-driving Dedicated storage areas equipped with appropriate retention tanks and necessary control procedures

Measures for the prevention, recycling and removal of waste

The nature of Bureau Veritas' activities means that its main waste product in terms of volume is paper. In order to limit its consumption and reduce the waste generated, several initiatives have been set up within various Group entities regarding the generation of electronic reports, as well as electronic printing and archiving when permitted by clients and applicable regulations. Bureau Veritas is working towards its paperless goal for the Consumer Products business (reduction of paper consumption, storage and shipment).

Other types of waste, such as cardboard, plastic, glass, batteries, light bulbs as well as waste resulting from electrical and electronic equipment, chemicals and mineral samples arising from laboratory tests carried out by the Group, are measured and managed in accordance with local regulations requiring that they be disposed of by specialized companies.

Due to the growing importance of the Group's laboratory activities, waste reporting has been improved in order to better measure the information reported and ensure its reliability.

Involving all employees

Since 2009, Bureau Veritas has celebrated World Environment Day every June 5 on the theme announced by the United Nations (UN). For this event, the Group's Quality, Health and Safety department propose to the employees to organize initiatives to reduce their environmental impact. This involvement of all employees in this ongoing effort to improve environmental protection is celebrated with an internal competition. A selection committee meets to examine and evaluate each project submitted.

For the last several years, more than a hundred action plans have been implemented, with an ever greater number of participants.

Year	2015	2016	2017
Number of action programs	130	116	121
Number of participants	30,000	47,000	54,000

The best action programs receive a trophy.

In 2017, four trophies were awarded in the following categories: "Creativity", "Education" and "Social Media" in addition to the year's theme "Connecting People to Nature".

Noise and other forms of pollution

Noise and other forms of pollution related to the Group's activities are monitored in accordance with applicable local regulations.

Due to the nature of its activities, Bureau Veritas causes little noise pollution in the local communities in which it is present. However, where excessive noise is identified (e.g., at laboratories carrying out resistance tests on concrete or metal parts), appropriate sound insulation has been installed. Appropriate protective measures are also identified and put in place for the employees concerned.

Helping clients to reduce their environmental impact

Bureau Veritas offers a range of services enabling its clients to reduce their environmental footprint, such as:

- conducting carbon and energy audits to identify the sources of emissions, quantify and prioritize them, and recommend methods for reducing CO_2 emissions;
- supporting clients in their efforts to obtain ISO 14001 certification and training environment managers, which constitues a key contribution to professionalizing initiatives to reduce environmental impact and ensuring their ongoing effectiveness over the long term;
- technical checks carried out on ships in service and under construction to prevent ecological disasters related to accidental spills;
- "LEED" certification and support in obtaining HQE certification for buildings that help reduce energy consumption during the construction and operational phases.

Provisions and guarantees

Provisions and guarantees for environmental risks are monitored at local level depending on the potential impact of Bureau Veritas' activities. In addition, the Group has subscribed insurance coverage for all of its business activities (see section 1.13 of this Registration document).

2.4.4 Continuing employee training

A Health, Safety and Environmental induction module is provided to new employees when they join Bureau Veritas. Around 13,000 induction sessions were held in 2016.

This induction training is supplemented with specific modules that are defined by each country based on the risks employees may be exposed to when performing their duties and in accordance with regulatory requirements. Training is provided with respect to the entry into confined spaces, working at heights, first aid, use of firefighting equipment, handling of pressurized cylinders and preventive actions. Training leading to a certification is also provided for the members of the HSE network on HSE management systems, applicable standards, internal audits, and accident investigations.

E-learning platform: MyLearning

After Bureau Veritas set up a new global e-learning platform (MyLearning) in late 2014, substantial resources were allocated by HSE teams so that all training courses available at Group level could be incorporated into the platform. The configuration of 15 modules in several languages, the identification and the training of around 200 local administrators, the creation of automatic reports and the exchange of good practices between the Group entities which use this platform made it possible to post online 14 HSE courses in 2015 and two new courses in 2016.

This platform, available to all the Group's employees, offers multilingual training modules on health, safety and environmental issues such as the cardinal safety rules, handling of chemical products, working at heights, defensive driving for two and four-wheeled vehicles, eco-driving and handling of gas cylinders. Specifically-designed modules are also made available to the managers and concerns the measures the managers must take with respect to personal protection equipment, IR, working at heights and the entry into confined spaces.

In 2018, the updating of certain modules will bring them in line with the latest requirements and best practices.

2.5 Society

2.5.1 Serving the general interest

In a world where public opinion is becoming increasingly sensitive to technological, environmental, energy, social and economic risks, Bureau Veritas provides solutions to issues relating to quality, safety, environmental protection and social responsibility.

Helping our clients to generate value on a long-term basis

Bureau Veritas has more than 400,000 clients. It operates in a wide range of industries, including aeronautics, the automotive industry, the building industry, real estate, consumer products, the electrical and electronics industry, the agri-food industry, industrial equipments, the maritime industry, oil and gas, the process industry and the mining industry, retail, services, transportation and infrastructures. The scale of its activities also allows Bureau Veritas to promote a culture of quality, health and safety, environmental protection, efficiency and social responsibility throughout global value chains.

The services delivered by Bureau Veritas encompass six value creation levers for its clients, which are more detailed in section 1.1 of this Registration document.

By helping its clients to protect their brands, manage their risks and improve their performance, Bureau Veritas serves the general interest.

The Group's services help improve:

- the safety of users of buildings, equipment and vehicles;
- the safety of the consumers (food products, electrical and electronic equipment, and other consumer products);
- the health and safety of employees in their workplace;
- the environmental impacts of the industrial operations, transportation, construction and consumption of natural resources;
- the safety and transparency of international trade;
- Corporate Social Responsibility.

Bureau Veritas acts in the general interest in accordance with the following commitments to:

- identify and reduce risks for the benefit of the public and economic spheres, the consumers and end users, and society in general;
- comply with its Code of Ethics which includes, in particular, rules relating to independance, integrity and impartiality in providing objective and impartial, unbiased professional opinions;
- promote local initiatives in response to local problems.

A specific CSR-focused business

The Group's business portfolio includes services more directly linked to CSR. In addition to those mentioned in section 2.4.3 of this Registration document, Bureau Veritas provides other types of services including:

- conventional QHSE management system certification services: Environment (ISO 14001) and Health & Safety (OHSAS 18001);
- certification services for specific sectors, in particular for the agri-food industry (BRC/IFS, ISO 22000, HACCP – management of food health and safety), the forestry/wood sector (FSC/PEFC) and health services. In France, Bureau Veritas also provides certification services for labels in the *Agri-Food* sector (*Label Rouge*, AB and *Origine France Garantie*);
- environment-related services: verification of sustainability practices in the fields of climate change (EU ETS), energy management (ISO 50001), biomass and biofuels sustainability (EU Directive on Renewable Energy), carbon footprinting (ISO 14064, PAS 2050), social responsibility (SA 8000, ISO 26000) and sustainable development reporting (AA 1000, GRI);
- training in environmental issues, social responsibility, food safety, IT security, business continuity management and energy management.

2.5.2 Management of suppliers and subcontractors

The Group Purchasing department

Since 2013, the Group's Purchasing department has focused on three main objectives:

- optimizing commitments with suppliers and subcontractors;
- ensuring compliance with clearly formalized governance rules, with respect to internal processes (e.g., segregation of duties between the purchaser and the requisitioner) and external processes (e.g., ethical purchases);
- managing risks related to procurement and subcontracting.

The goals of the Purchasing department for 2017 reflect these three concerns:

- achieving additional savings, by consolidating needs as far as possible at the appropriate level, pooling expertise and resources and sharing experience. The cost savings target is expected to be achieved not only by systematically seeking to identify the "right price" but also by adopting a "responsible consumption" attitude with the internal Purchasing department's clients. This can be done both by ensuring that they systematically use listed suppliers and contracts in place, and by ensuring that they are used reasonably and efficiently – for example, not simply ensuring compliance with the travel policy, but making an effort to use tele or videoconferencing;
- significantly reducing the number of suppliers in order to enable Bureau Veritas to influence its suppliers and subcontractors on important issues;
- adopting a systematic approach to risk management in the supply chain.

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

Breakdown of suppliers and subcontractors

Partners	Role	% of 2017 revenue	CSR issues taken into account
Operational subcontractors	Technical personnel not on the Bureau Veritas payroll, used in addition to the Group's salaried headcount	8.2%	Personnel selection, supervision, training when and where necessary and possible
Suppliers	Companies supplying the material used by Bureau Veritas personnel to carry out its work (laboratory equipment, measuring equipment, individual protection equipment, etc.), equipment or services such as lease of offices, telecommunications, hardware and software, travel services and vehicles for work-related travel	21.5%	Contracts referencing the applicable Code of Ethics of Bureau Veritas, specifying the expected degree of equipment safety, the necessary respect for human rights, the implementation of a travel policy and a policy to reduce CO_2 and vehicle emissions; use of EcoVadis to evaluate suppliers on CSR issues

Evaluation of the CSR practices of the suppliers

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

- demonstrate Bureau Veritas' commitment to sustainable development across the entire supply chain;
- systematically evaluate key suppliers on CSR issues;
- assist suppliers with the improvement of their environmental and social performances.

ECOVADIS uses 21 criteria when evaluating suppliers, based on four main themes: environment, fair working conditions, business ethics and supply chain. In all, 45 suppliers were evaluated via a CSR questionnaire as part of the first campaign launched in 2014.

At this stage, 105 suppliers have been evaluated by ECOVADIS and 16 additional suppliers are in the process of being evaluated.

Out of these 105 suppliers, 65% have been reevaluated and 69% of them have improved their evaluation results.

More generally, in 2017 Bureau Veritas initiated an overall mapping of risks and an action plan for managing these risks. Three main types of supplier-related risks have been defined and will be managed by the Group as from 2018:

- operational risks, i.e., risks of interruption of the production chain;
- legal risks; i.e., risks related to insufficient or inadequate coverage at the contractual level;
- CSR-related risks. In this specific area, Bureau Veritas is implementing action plans to limit risks for (i) existing suppliers and (ii) new suppliers, which will make it possible to meet the requirements imposed by French law no. 2017-399 of March 27, 2017 on the duty of care of parent companies and sub-contracting companies.

Bureau Veritas has also launched an initiative to rationalize the supplier base which, among other goals, aims to simplify the management of suppliers and increase control over them.

Qualification of subcontractors

Subcontractors have expectations which are similar to those of Bureau Veritas employees:

- to work in a secure environment;
- to have appropriate skills; and
- to be fairly compensated.

In addition to the checks carried out to ensure that employees have the requisite skills for the tasks they are assigned, Bureau Veritas ensures that its subcontractors comply with the Group's ethical and safety standards.

The Group will soon enable them to update their skills by providing them with a standard package of e-learning and information modules.

This standard package will comprise:

- the Code of Ethics of Bureau Veritas to be countersigned by the service provider;
- a statement to be signed by the service provider in which it recognizes the nature of the operating needs and constraints of Bureau Veritas and its client;
- a service charter, formally documenting the service provider's commitments in delivering its services, for example delivering in accordance with the agreed schedule;
- the list of specific applicable health and safety rules;
- a confidentiality agreement to be signed by the service provider.

Depending on its specific needs, each entity will add to this standard package other information relevant for the type of subcontracted services.

2.5.3 A responsible corporate citizen

Supporting local development

The Group has a strong international presence.

This makes it possible to provide a "one stop" response to clients that generally operate around the globe. However, the Group's presence on the ground, its understanding of the language and dialects and the availability of its employees are what allows it to really understand the human issues at local level. This is how Bureau Veritas is able to provide effective local solutions with global support.

The Group's highly decentralized organization favors local hiring in the 140 countries in which it does business. In this way, Bureau Veritas helps further socio-economic development in the countries in which it operates, including through its network of local suppliers and partners.

The Group takes care to ensure that each of its 1,440 offices and laboratories across the globe develops local skills and expertise in partnership with the authorities and the stakeholders concerned.

Action for the community

The community initiatives rolled out by Bureau Veritas are decided locally in each of the 140 countries in which the Group does business.

2.6 Duty of care plan

The Law no. 2017-399 of March 27, 2017 on the duty of care applicable to parent companies and sub-contracting companies provides that:

- any company that has, at the end of two consecutive financial years, at least 5,000 employees directly or through its direct and indirect subsidiaries whose headquarters are located on French territory, or at least 10,000 employees directly or through its direct and indirect subsidiaries, whose headquarters are located on French territory or abroad, must establish and implement in an effective manner a duty of care plan;
- This plan must include reasonable measures to identify and prevent risks of serious infringements to human rights and fundamental freedoms, the health and safety of persons as well as the environment, resulting from the Company's activities and those of the companies that it controls directly or indirectly within the meaning of article L. 233-16 II of the French Commercial Code as well as subcontractors or suppliers with whom it maintains an established business relationship, when these activities are related to this relationship.

Pursuant to article L. 225-102-4 of the French Commercial Code, the duty of care plan includes the following five measures:

- a mapping of the risks that identifies, analyzes and ranks risks;
- procedures to regularly assess, in accordance with the risk mapping, the situation of subsidiaries, subcontractors or suppliers with whom the Company maintains an established business relationship;
- appropriate actions to mitigate risks or prevent serious violations;
- an alert mechanism that collects signals of potential or actual risks, developed in partnership with the trade union organizations representative of the concerned company;
- a monitoring system to follow up the measures implemented and assess their effectiveness.

As the Company is subject to this new regulation, the purpose of this section is to describe the degree of advancement of the work carried out in 2017. As the Duty of Care Plan ("**the Plan**") is intended to be developed in collaboration with the Company's stakeholders, it is noted that the measures are being gradually put into place and will be more widely deployed in the course of 2018. The report on the implementation of the Plan will be presented at the end of 2018 (in the 2018 Registration document).

The issues related to duty of care have been integrated in the broad-based work of risk mapping carried out by the Group in 2017. On the basis of this year, Bureau Veritas has determined appropriate actions for reducing risks or preventing serious violations.

Governance

The Company has set up a dedicated governing body to oversee the development of the plan and its application.

Given the nature of the subjects addressed and in order to capitalize on what already exists, avoid duplication and optimize existing synergies between the functions concerned (HSE, Human Resources and Purchasing), the subjects related to the duty of care are being handled by the organization in place for CSR (see details in section 2.1.2 of this chapter of the Registration document). Therefore, at the level of the corporate support departments, the "Duty of Care" Steering Committee is the CSR Steering Committee. This committee, which reports to the Group Human Resources Director, comprises representatives of the relevant corporate departments responsible for their own area of expertise. These departments manage their network of correspondents within the operating groups.

For example:

- issues relating to fundamental freedoms and human rights fall under the responsibility of the HR department;
- issues relating to health and safety and the environment are managed by the Quality, Health and Safety department;
- issues relating to purchasing are managed by the Purchasing department.

Staff

Numerous monitoring and performance indicators, particularly in relation to health and safety, are already in place in each country in which the Group operates. These indicators have been defined according to World Health Organization guidelines.

In 2018, as part of the Plan's deployment, a specific action plan was launched including notably: the initiation of staff training on the Group's "absolute" values, the creation and roll-out of a new training module on the "Cardinal Rules" incorporated into the mandatory induction program and lastly the publication of a new "Human Rights" procedure and the monitoring of the "Inclusion@BV" program.

Subcontractors

Bureau Veritas ensures that its subcontractors comply with the Group's rules, particularly in relation to ethical and safety standards. The measures implemented for this purpose are described in section 2.5.2 of this chapter of the Registration document. Subcontractor-related risk is also integrated in the Group risk mapping carried out in 2017.

The "subcontractor" section of the Plan includes notably this year the setting up of a due diligence questionnaire integrating CSR concerns, the introduction of a screening tool, the publication of a "Business Partners code of conduct" and the insertion of CSR clauses in the Group's standard subcontracting contracts.

Suppliers

In 2014, Bureau Veritas launched a continuous Purchasing improvement program from a CSR perspective. The actions undertaken in this area, including the work carried out with ECOVADIS, an independent platform evaluating suppliers in terms of sustainable development and Corporate Social Responsibility, are detailed in section 2.5.2 of this chapter of the Registration document.

In addition, in 2017 the Group's Purchasing department carried out a general mapping of the Group's purchasing risks and, within this framework, defined a strategy for managing them. Among the risks identified, particular attention was given to CSR risks for which an action plan was defined with a view to limiting the risks (i) for existing suppliers and (ii) for new suppliers.

A specific action plan was launched in 2018 as part of the deployment of the Plan, including in particular the extension of the ECOVADIS evaluation, the publication of a Group purchasing manual, the publication of a Code of Conduct for commercial partners, the insertion of CSR clauses in the contracts and general terms and conditions of purchase and the integration of the purchasing process manual in the Integrated Management System (IMS).

Alert mechanism that collects signals of potential or actual risks

The alert mechanism put into place as part of the Group's compliance program (see the details of this alert mechanism in section 2.2.1 of this chapter of the Registration document) will be gradually extended to all of the areas covered by the duty of care law.

This alert system, which is currently reserved for internal staff, will be gradually extended, pursuant to articles 6 *et seq.* of the French Law no. 2016-1691 of December 9, 2016 on transparency, fight against corruption and modernization of the economy (law known as "Sapin II"), to external or occasional staff. The opening of the alert line to suppliers and to subcontractors is under review.

This extension will be established in consultation with the organizations representing the employees of the companies concerned.

2.7 Information compilation methodology

Labor-related information

Bureau Veritas SA's social audit is available at the head office upon request.

The information published in this document is mainly taken from the Group's Human Resources reporting system. It is published and submitted on a quarterly basis to Executive Committee members and to the HR departments of the various operating groups. Within the Group HR department, a reporting team is in charge of verifying and publishing these data in conjunction with the local managers.

An annual survey is also conducted among the HR Directors of the operating groups to compile the relevant qualitative information presented in section 2.3 of this chapter.

Scope of consolidation

The HR data are continuously updated in the Group HR information system (HRIS), except for the training indicators which are updated by the local teams and are reported on a quarterly basis.

The data on the workforce and movements (entries and departures) are provided on a Group-scope basis.

The training data cover 89% of the Group's workforce and the absenteeism data cover 96% of the Group's workforce.

For data on training hours and hours worked/absenteeism, the Group respectively uses a rolling three-month and rolling one-month period for the reporting. Training data for 2017 therefore relates to the period between October 1, 2016 and September 30, 2017, while data on hours worked and absenteeism for 2017 covers the period between December 1, 2016 and November 30, 2017.

Other data are not reported on a rolling basis and cover the full 2017 calendar year.

The data on the profit-sharing agreements extend beyond Bureau Veritas SA and cover the Company's six French subsidiaries: Bureau Veritas Services, Bureau Veritas Services France, Bureau Veritas Exploitation, Bureau Veritas Construction, Bureau Veritas GSIT and Bureau Veritas Marine & Offshore.

Documentation and training for users

Detailed, regularly updated documentation is available in the Group's IT systems. Each new user and/or contributor to the Human Resources reporting must complete training on how to collect and enter data, as well as on online consultation of indicators. This training is provided by the Group HR department.

Health, Safety and Environment (HSE)

In the absence of recognized public standards for inspection operations, Bureau Veritas has defined its own set of HSE indicators including specific definitions, scopes and methods of consolidation, responsibilities, and information verification.

These indicators are described in the manuals for the areas in question (HSE). They are regularly updated in order to take into account the introduction of additional programs and any changes in the scope (program extended to existing entities, integration of new acquisitions).

Information gathering

HSE indicators fall under the responsibility of the HSE department, which relies on the data provided by the network and the IT systems.

HSE indicators are input by Group entities using an online tool.

Data on accidents are registered in real time. Details about the registration methodology can be found in section 2.4.2 of this chapter.

Environmental indicators are registered through a single reporting process known as "Environmental and Carbon Reporting" (see below for more details).

Scope and methods of consolidation

HSE indicators are consolidated at Group level or within specific programs. The indicated exclusions concern entities for which data for the previous year are not available or are not reliable, as well as entities acquired in the previous year. Moreover, to ensure that the data collected are consistent, the indicators are only consolidated from the second year of data reporting.

Energy consumption includes the consumption of electricity used in buildings and processes.

The number of employees used in the calculation of safety and environment indicators is based on the quarterly average number of employees.

By default, the number of hours used to calculate the frequency and severity rates is set at 160 per month and per employee.

Since 2014, in order to facilitate and improve reporting on the main environmental impacts and CO_2 emissions, Bureau Veritas has used a single tool called "Environmental and Carbon Reporting".

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;
- the reporting scope only covers 80% of the workforce, when the remaining 20% consists of small, geographically dispersed entities;
- newly acquired entities have two years to improve their data reporting, so that they can begin with pilot sites and then roll out the reporting process to the entire entity.

In order to ensure that the data reported by newly acquired entities are consistent with the Group's processes, the first reporting year is documented but the data are not included in the Group's consolidated results.

Moreover, the data reported must cover 12 calendar months (from January 1 to December 31). In this report:

- The health and safety data cover 2017 in its entirety (from January 1 to December 31, 2017);
- The environmental data are those for the year 2016 (from January 1 to December 31, 2016).

Any entity whose annual data cannot be reliably verified is excluded from the Group's consolidated results.

Energy consumption includes the consumption of electricity used in buildings and processes.

- Given that the data for 2015 show that 80% of the total volume of electricity consumed by the Group was attributable to the laboratories, and the remaining 20% attributable to offices, Bureau Veritas has chosen to focus on data linked to the electricity consumption of the laboratory activities in laboratories with more than 25 people.
- For laboratory activities in 2016, reliable data for electricity consumption were measured for 17,759 employees, or 69% of the staff in Group laboratories with more than 25 people and 80% of Group laboratories with more than 25 people.

Data for work-related travel include the use of four-wheel vehicles (corporate, rental and leased vehicles), motorbikes and scooters, flights (short, medium and long-haul) and train travel. Commuting is not included.

- In view of the volume of CO_2 emissions resulting from work-related travel undertaken by office staff as compared to laboratory staff, Bureau Veritas has chosen to focus on office data from offices with more than 50 people.
- In 2016, reliable data on the offices' carbon footprint resulting from work-related travel were monitored for 24,172 employees, or 57% of the staff in Group's offices with more than 50 people and 65% of Group offices with more than 50 people.

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. Further, with respect to the Group's portfolio of services, these areas also have business potential. For example, the Group has carried out a project to define a framework for preparing business continuity plans in accordance with ISO 22301, as required by regulations in certain countries.

The business activities of Bureau Veritas do not involve the use of soil or land, apart from the use of the buildings which the Group usually leases as a tenant. They do not involve the consumption of raw materials except fuel, more details of which are provided in section 2.4.3 along with the measures taken to improve fuel efficiency.

The Group's business activities do not involve the use of water, except water consumed by employees and during certain testing processes in laboratories. Its business activities are carried out in compliance with the relevant local standards and regulations on water consumption and discharge. As part of ISO 14001 certification, water consumption is monitored in those businesses in which it is considered significant, and measures are adopted to reduce and optimize consumption.

Lastly, the Group's business activities did not generate any significant food waste.

2.8 Cross-reference index

With articles L. 225-102-1 and R. 225-104 *et seq.* of the French Commercial Code

The following table lists the CSR-related information required in the Company's management report by articles L. 225-102-1 and R. 225-104 *et seq.* of the French Commercial Code (*Code de commerce*).

Labor-related information	Section(s)	Page(s)
Employees		
Total headcount and breakdown of employees by gender, age and geographic area	2.3.1, 2.3.4	80-81, 83-85
Hirings and layoffs	2.3.1	80
Remuneration and changes in remuneration	2.3.2, 2.3.5	81-82, 86-87
Work organization		
Organization of working time	2.3.5	86
Absenteeism	2.3.5	86
Labor relations		
The organization of labor relations, notably procedures for informing, consulting and negotiating with employees	2.3.5	86
Collective agreements	2.3.5	86
Health and safety		
Health and safety conditions in the workplace	2.4.2	90-91
Agreements signed with trade unions or employee representatives on health and safety at work	2.3.5	86
Accidents at work, in particular, their frequency and severity, and work-related illnesses	2.4.2	90-92
Training		
Training policies	2.3.3, 2.4.4	83, 95
Total number of training hours	2.3.3	83
Equal treatment		
Measures to promote gender equality	2.3.4	84
Measures to promote the employment and inclusion of people with disabilities	2.3.4	85
Anti-discrimination policy	2.3.4	84
Promotion and compliance with the fundamental conventions of the International Labour Organization in relation to:		
• *respect for freedom of association and the right to collective bargaining*	2.3.5	87
• *the elimination of discrimination in respect of employment and occupation*	2.3.5	87
• *the elimination of forced labor*	2.3.5	87
• *the abolition of child labor*	2.3.5	87

Environmental information	Section(s)	Page(s)
General environment policy		
Organization of the Company to take into account environmental issues, and if applicable, environmental assessment or certification approaches	2.4.3	92
Initiatives to provide employees with training and information on environmental protection	2.4.3, 2.4.4	94, 95
Resources allocated to the prevention of environmental risks and pollution	2.4.3	93-94
Provisions and guarantees for environmental risks, provided that this information does not cause serious harm to the Company in an ongoing dispute	2.4.3	95
Pollution		
Measures to prevent, reduce or address air, water or soil pollution having a serious impact on the environment	2.4.3	94
Noise and other forms of pollution specific to an activity	2.4.3	94
Circular economy		
Measures to prevent, recycle, recover and remove waste	2.4.3	94
Measures to fight against food waste	N/A	N/A
Water consumption and water supply in accordance with local restrictions	N/A	N/A
Consumption of commodities and measures taken to use them more efficiently	N/A	N/A
Consumption of energy and measures taken to improve energy efficiency and increase the use of renewable energies	2.4.3	92-93
Use of soil	N/A	N/A
Climate change		
Material sources of greenhouse gas emissions generated by the Company's operations and notably by the use of goods and services produced by the Company	2.4.3	93
Adaptation to the consequences of climate change	N/A	N/A
Protection of biodiversity		
Measures taken to preserve or develop biodiversity	N/A	N/A

Information on the Company's corporate social commitments for sustainable development	Section(s)	Page(s)
Local, economic and social impact of the Company's activity		
In terms of employment and regional development	2.3.4, 2.5.3	83-84, 98
On local or neighboring communities	2.3.4, 2.5.3	83-84, 98
Relationships with persons or organizations affected by the Company's activity, notably social outreach associations, educational institutions, environmental protection organizations, consumer associations and local communities		
Conditions for dialogue with these persons/organizations	2.5.3	98
Partnership or sponsorship initiatives	2.5.3	98
Subcontractors and suppliers		
The inclusion of social and environmental issues in purchasing policies	2.5.2	97
The importance of subcontracting and the inclusion of corporate social and environmental responsibility in dealings with suppliers and subcontractors	2.5.2	97-98
Fair practices		
Measures to prevent corruption	2.2.1	77-78
Measures to protect the health and safety of consumers	2.5.1	96
Other measures implemented in respect of human rights	2.3.4, 2.5.3	83-85, 98

2.9 Opinion of the independent auditor

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Independent verifier's report on consolidated social, environmental and societal information presented in the management report

For the year ended December 31, 2017

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC[1], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Bureau Veritas, we present our report on the consolidated social, environmental and societal information established for the year ended on the December 31, 2017, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the Article L. 225-102-1 of the French Commercial code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the Article R. 225-105-1 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company (hereafter referred to as the "Criteria"), and of which a summary is included in the management report and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the Article L. 822-11-3 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

However it is not up to us to deliver an opinion regarding the compliance to other applicable statutory provisions, in particular the ones related to Article L. 225-102-4 of the French Commercial code (duty of care) and to the law n° 2016-1691 of the December 9, 2016; Sapin II (fight against corruption).

Our verification work mobilized the skills of six people between September 2017 and February 2018 for an estimated duration of six weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the limited assurance report, in accordance with the international standard ISAE 3000[2].

1. Attestation of presence of CSR Information

Nature and scope of the work

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code *(Code de commerce)*.

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105, paragraph 3, of the French Commercial code *(Code de commerce)*.

(1) Scope available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code *(Code de commerce)*.

Conclusion

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information, except for environmental information (i.e. energy consumption and business travel), which are provided for a period covering January 1, 2016 to December 31, 2016 instead of the year 2017, as this is explained in the "information compilation methodology" section of the Registration Document.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook seven interviews with the people responsible for the preparation of the CSR Information in different departments (Human Resources, Quality, Health, Safety & Environment, Purchasing, Customer Relations, Certification and Data Security), in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important(1):

- At the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of sites that we selected(2), based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 18% of the total workforce and between 8% and 33% of the quantitative environmental information, that were considered as representative characteristics of the environmental and social domains.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

*(1) **Social information:** employment (total headcount and breakdown, hiring and terminations), absenteeism (absenteeism rate), training (number of hours of training), work accidents (frequency rate of lost time accidents, severity rate), induction trainings on health and safety.*
***Societal information:** importance of subcontracting and the consideration of environmental and social issues in purchasing policies, freedom of association and the right for collective bargaining, customer satisfaction, data security and customer data protection.*
***Environmental information:** energy consumption and CO_2 emissions from energy consumption, business travels and CO_2 emissions from business travels.*

(2) France (French entities), India (Inspectorate Griffith India Pvt. Ltd; CPS India), Chile (Bureau Veritas Chile), Peru (Inspectorate Services Peru SAC)

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, March 1, 2018

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Eric Duvaud Partner, Sustainable Development	Bruno Perrin Partner

3

Corporate governance AFR

Components of the Annual Financial Report are identified in this table of contents with the sign AFR

Pursuant to article L. 225-37-4 of the French Commercial Code, this report on corporate governance, drawn up under the responsibility of the Board of Directors in accordance with article L. 225-37 of said code, contains details of the composition of the Board, the application of the principle of gender balance among its members and the conditions governing the preparation and organization of the Board's work in 2017.

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

It specifies the rules and principles adopted by the Board of Directors for determining the compensation and benefits of all nature awarded to Corporate Officers. It also includes the report on the proposed resolutions to be submitted to a vote at the Shareholders' Meeting to be held on May 15, 2018 to approve the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits of all nature awarded to the Chairman of the Board of Directors and the Chief Executive Officer.

The report was reviewed by the Nomination & Compensation Committee at its meetings of December 14, 2017 and January 17, 2018. It was reviewed in draft form by the Board of Directors on December 15, 2017 and then approved at its meeting of February 28, 2018.

3.1 Governance

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

Aldo Cardoso has served as Chairman of the Board of Directors since March 8, 2017, replacing Frédéric Lemoine, then appointed as Vice-Chairman of the Board of Directors. On December 15, 2017, André François-Poncet was co-opted as a Director of the Company and appointed Vice-Chairman of the Board of Directors to replace Frédéric Lemoine, effective as of January 1, 2018.

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

The Vice-Chairman is called upon to replace the Chairman in the event the Chairman is absent, temporarily unavailable or in the event that he has resigned, died or not been reappointed, in accordance with the By-laws' provisions (the "**By-laws**").

3.1.1 Board of Directors

In accordance with article 14 of the Company's By-laws, the Board of Directors must have a minimum of 3 and a maximum of 18 members.

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

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

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

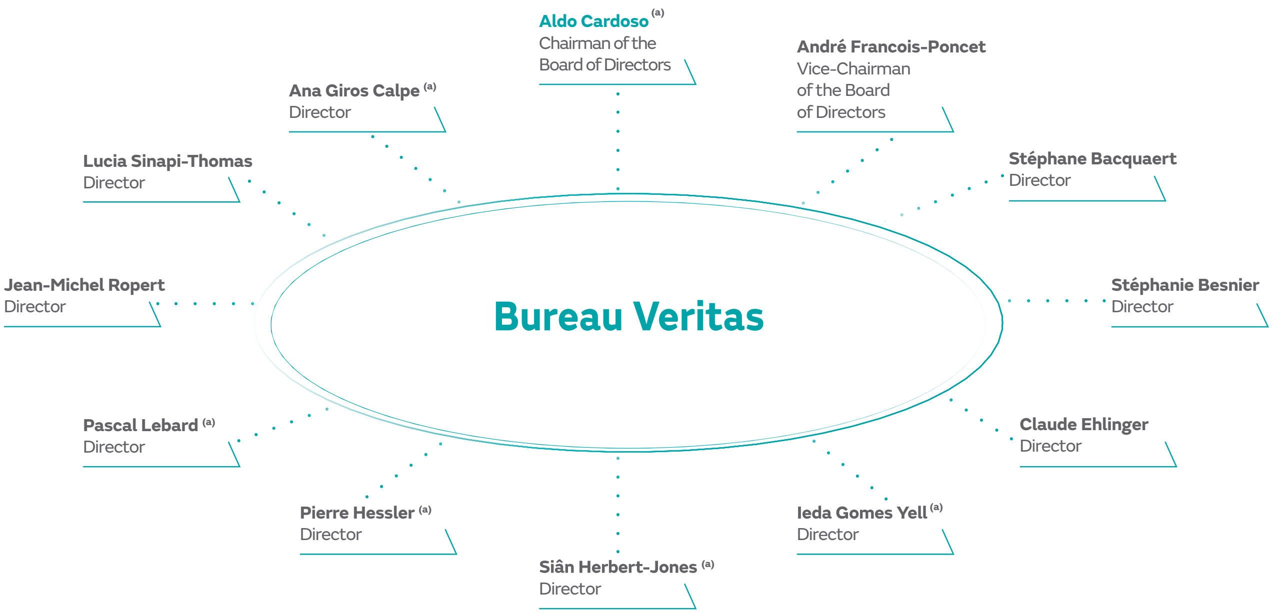
Information on Board members' nationality, age, business address, positions within the Company, main functions, start and end dates of terms of office, detailed biographies and a list of positions held by the Directors over the previous five years are presented below, primarily in the table entitled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

Composition of the Board of Directors

In the context of the diversification of the composition of the Board of Directors and notably of its feminisation and its internationalization, in 2017 the Board appointed Ana Giros Calpe as an independent director. She followed a full induction program.

At December 31, 2017, the Board of Directors of the Company comprised twelve members: Aldo Cardoso, Chairman of the Board of Directors, Frédéric Lemoine, Vice-Chairman of the Board of Directors, Stéphane Bacquaert, Stéphanie Besnier, Claude Ehlinger, Ana Giros Calpe, Ieda Gomes Yell, Siân Herbert-Jones, Pierre Hessler, Pascal Lebard, Jean-Michel Ropert and Lucia Sinapi-Thomas.

Since January 1, 2018, André François-Poncet has been a Director and has served as Vice-Chairman of the Board of Directors, replacing Frédéric Lemoine. The new composition of the Board of Directors is shown below:



(a) *Independent director.*

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

At its meeting of December 15, 2017 and based on the recommendation of the Nomination & Compensation Committee held on December 14, 2017, the Board of Directors considered the independence of its members with regard to (i) the definition set out in the AFEP-MEDEF Corporate Governance Code of Listed Corporations (**AFEP-MEDEF Code**), specifically *"a Director is independent if he or she has no relationship of any kind whatsoever with the Company, its Group or its Management that may interfere with his or her freedom of judgment"* and (ii) the criteria below summarized in the following table, which are set out in the Board's Internal Regulations.

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

In this context, in order to determine the non-material and non-conflicting nature of the business relationships between the Company and Saint-Gobain, Capgemini and Suez Environnement, the Board on the recommendation of the Nomination & Compensation Committee, used as a criterion the importance or "intensity" of the relationship with regard to (i) revenue generated in 2017 between the Group's companies and the companies of the Group in which the Director also holds office, and (ii) the absence of economic dependency or exclusivity between the parties.

Having noted the absence of economic dependency between the parties and that the revenue generated with these companies represents less than 1% of the Group's consolidated revenue, the Board concluded that business relationships between Bureau Veritas and Saint-Gobain, Capgemini and Suez Environnement were not likely to call into question the respective qualification of Ieda Gomes Yell, Siân Herbert-Jones and Ana Giros Calpe as independent directors.

The Board of Directors may decide that a Director does not qualify as independent, even if the criteria in the table below are met, in light of his/her specific situation or the specific situation of the Company with regard to its shareholder base, or for any other reason. Conversely, the Board may deem a Director to be independent even if the above criteria are not met.

When Pierre Hessler was reappointed, the Board of Directors had carefully examined his situation with regard to the AFEP-MEDEF Code, which recommends *"not to have been a Director of the company for more than twelve years"*. It considered that this criterion alone was not sufficient to automatically disqualify Pierre Hessler as an independent director and decided not to apply it for the reasons set out in the table in section 3.1.5 of this Registration document.

Following the recommendation of the Nomination & Compensation Committee, the Board of Directors' meeting of December 15, 2017 confirmed its position.

Based on the definition and the criteria provided for in the AFEP-MEDEF Code, six of the twelve Directors were qualified as independent: Aldo Cardoso, Ana Giros Calpe, Ieda Gomes Yell, Siân Herbert-Jones, Pierre Hessler, and Pascal Lebard.

At December 31, 2017, 50% of the members of the Board of Directors of Bureau Veritas were independent and 42% were women. In accordance with article L. 225-18-1 of the French Commercial Code, more than 40% of Board members are women. As of January 1, 2018, these percentages have not changed.

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

Situation of Directors with regard to the independence criteria set out in the AFEP-MEDEF Code[1]

First name, last name	Aldo Cardoso	André François-Poncet	Stéphane Bacquaert	Stéphanie Besnier	Claude Ehlinger
Position held in the Company	Chairman of the Board of Directors	Vice-Chairman of the Board of Directors	Director	Director	Director
First appointment	June 3, 2009	January 1, 2018	June 2, 2008	October 18, 2016	October 18, 2016
End of term of office	AOSM[(a)] 2018	AOSM[(a)] 2021	AOSM[(a)] 2021	AOSM[(a)] 2020	AOSM[(a)] 2020
Total time in office	8 years	-	9 years	1 year	1 year
AFEP-MEDEF independence criteria					
Not to be, or not to have been over the previous five years: – an employee or an Executive Officer of the Company – an employee, an Executive Officer or Director of a company consolidated by the Company – an employee, an Executive Officer or Director of the Company's parent company or of a company consolidated by the parent company;	√	Chairman of the Executive Board of Wendel	Managing Director of Wendel Africa and member of the Investment Committee of Wendel	Managing Director of Wendel	Chief Executive Officer of Oranje-Nassau, Managing Director and member of the Investment Committee of Wendel
Not to be an Executive Officer of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee designated as such or an Executive Officer of the Company (currently in office or having held such office in the previous five years) is a Director;	√	√	√	√	√
Not to be a client, supplier, investment banker or commercial banker: – that is significant for the Company or its group or – that has a significant part of its business with the Company or its Group;	√	√	√	√	√
Not to be related by close family ties to a Corporate Officer of the Company or its group.	√	√	√	√	√
Not to have been a Statutory Auditor of the Company, or of a Group company within the previous five years	√	√	√	√	√
Not to have been a Director of the Company for more than 12 years.	√	√	√	√	√
Not to receive or have received variable cash compensation, securities or any other performance-based compensation from the Company or the Group.	√	√	√	√	√

(a) Annual Ordinary Shareholders' Meeting

(1) At the date this Registration document was filed.

	Ana Giros Calpe	Ieda Gomes Yell	Siân Herbert-Jones	Pierre Hessler	Pascal Lebard	Jean-Michel Ropert	Lucia Sinapi-Thomas
	Director	Director	Director	Director	Director	Director	Director
	May 16, 2017	May 22, 2013	May 17, 2016	June 19, 2002	December 13, 2013	December 21, 2005	May 22, 2013
	AOSM[(a)] 2021	AOSM[(a)] 2021	AOSM[(a)] 2020	AOSM[(a)] 2019	AOSM[(a)] 2018	AOSM[(a)] 2018	AOSM[(a)] 2021
	7 months	4 years	1 year	15 years	4 years	12 years	4 years
	√	√	√	√	√	Employee of Wendel during the past five years	Director recommended by Wendel
	√	√	√	√	√	√	√
	√	√	√	√	√	√	√
	√	√	√	√	√	√	√
	√	√	√	√	√	√	√
	√	√	√	X	√	X	√
	√	√	√	√	√	√	√

Composition of the Board of Directors and its Committees[1]

Name	Nationality	Age[c]	Main business address	Current office within Company	Main functions
Aldo Cardoso[a)(d]	French	61 years old	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine – France	Chairman of the Board of Directors	Director of companies
André François-Poncet	**French**	**58 years old**	**Wendel 89, rue Taitbout 75009 Paris – France**	**Vice-Chairman of the Board of Directors**	**Chairman of the Executive Board of Wendel**
Stéphane Bacquaert	French	46 years old	Wendel Anfaplace Centre d'affaires Est Boulevard de la Corniche Ain Diab 20100 Casablanca – Morocco	Member of the Board of Directors	Managing Director of Wendel Africa and member of the Investment Committee of Wendel
Stéphanie Besnier	French	40 years old	Wendel 89, rue Taitbout 75009 Paris – France	Member of the Board of Directors	Managing Director at Wendel
Claude Ehlinger	Luxembourg	55 years old	Wendel London 63 Brook Street London, W1K 4HS United Kingdom	Member of the Board of Directors	Chief Executive Officer of Oranje-Nassau, Managing Director and member of the Investment Committee of Wendel
Ana Giros Calpe[a]	**Spanish**	**43 years old**	**Suez Groupe Tour CB21 16 place de l'Iris 92040 Paris La Défense**	**Member of the Board of Directors**	**Chief Executive Officer for Latin America and Executive Committee member at Suez**
Ieda Gomes Yell[a]	British	61 years old	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine – France	Member of the Board of Directors	Consultant, Researcher
Siân Herbert-Jones[a]	British	57 years old	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine – France	Member of the Board of Directors	Director of companies
Pierre Hessler[a]	French	74 years old	23, rue Oudinot 75007 Paris – France	Member of the Board of Directors	Consultant, Researcher
Pascal Lebard[a)(d]	French	55 years old	Sequana 8, rue de Seine 92517 Boulogne-Billancourt Cedex France	Member of the Board of Directors	Chairman and Chief Executive Officer of Sequana
Jean-Michel Ropert[d]	French	51 years old	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine – France	Member of the Board of Directors	Consultant
Lucia Sinapi-Thomas	French	53 years old	Capgemini 76 avenue Kleber 75116 Paris – France	Member of the Board of Directors	Executive Director, Capgemini's business Platforms
Patrick Buffet				Member of the Board of Directors until May 16, 2017	
Frédéric Lemoine				Vice-Chairman of the Board of Directors until December 31, 2017	

(a) Independent director.
(b) Annual Ordinary Shareholders' Meeting.
(c) At December 31, 2017.
(d) Director whose term of office expires at the next Shareholders' Meeting.

(1) At the date this Registration document was filed.

Start of term of office	End of term of office	Audit & Risk Committee	Nomination & Compensation Committee	Strategy Committee
Censor: June 2005 Director: June 3, 2009 Chairman of the Board: March 8, 2017	AOSM[b] 2018	Chairman	Member	
Co-optation as Director and appointment as Vice-Chairman: January 1, 2018	**AOSM[b] 2021**			**Chairman**
Co-optation as member of the Supervisory Board: June 2, 2008 Director: June 3, 2009	AOSM[b] 2021			
Director: October 18, 2016	AOSM[b] 2020	Member		
Director: October 18, 2016	AOSM[b] 2020		Member	Member
Director: May 16, 2017	**AOSM[b] 2021**		**Member**	
Director: May 22, 2013	AOSM[b] 2021	Member		Member
Director: May 17, 2016	AOSM[b] 2020	Member		
Chairman of the Supervisory Board: June 19, 2002 Vice-President of the Supervisory Board: June 27, 2005 Director: June 3, 2009	AOSM[b] 2019		Chairman	Member
Co-optation as Director: December 13, 2013	AOSM[b] 2018		Member	Member
Co-optation as member of the Supervisory Board: December 21, 2005 Director: June 3, 2009	AOSM[b] 2018			
Director: May 22, 2013	AOSM[b] 2021	Member		

	Board of Directors	Audit & Risk Committee	Nomination & Compensation Committee	Strategy Committee
Number of meetings in 2017	**9**	**8**	**7**	**7**
Average attendance rate	**97%**	**91%**	**97%**	**100%**

Expertise and experience in corporate management of the members of the Board of Directors and positions held over the last five years(1)

POSITIONS HELD BY THE DIRECTORS

Aldo Cardoso

Chairman of the Board of Directors

Chairman of the Audit & Risks Committee

Member of the Nomination & Compensation Committee

61 years old (2)

Nationality: French

Main business address

Bureau Veritas

Immeuble Newtime

40/52, boulevard du Parc

92200 Neuilly-sur-Seine – France

Biography

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

Current positions (2)

Director: ENGIE (3), Imerys (3) and Worldline (3)

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

Director: Accor(3), Orange (3), Penauille Polyservices, Gecina (3), Axa Investment Manager, Rhodia (3) and Mobistar (3)

Censor: Axa Investment Manager

(1) *As of the date of filing of this Registration document.*

(2) *At December 31, 2017.*

(3) *Listed company.*

André François-Poncet

Vice-Chairman of the Board of Directors

Chairman of the Strategy Committee

58 years old [1]

Nationality: French

Main business address

Wendel

89, rue Taitbout

75009 Paris – France

Biography

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

Current positions [1]

Chairman of the Executive Board: Wendel [2]

Director: Axa [2]

Chairman and Director: Harvard Business School Club of France

Member of the bureau: Club des Trente

Member of the European Advisory Board: Harvard Business School

Positions held in subsidiaries of the Wendel Group

Chairman and Director: Trief Corporation SA

Director: Winvest Conseil SA

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

Chairman and Chief Executive Officer: LMBO Europe SAS

Director: Medica

Partner: CIAM (Paris)

(1) At December 31, 2017.

(2) Listed company.

Stéphane Bacquaert

Member of the Board of Directors

46 years old [(1)]

Nationality: French

Main business address

Wendel Anfaplace

Centre d'affaires Est

Boulevard de la Corniche Ain Diab

20100 Casablanca – Morocco

Biography

Stéphane Bacquaert, member of the Supervisory Board of the Company since June 2008, was appointed as Director on June 3, 2009 when the Company's governance and management structure changed. He began his career as a strategy consultant at Bain & Company in Europe and Latin America. He later joined Netscapital, a merchant bank specialized in media and information technologies, as Chief Executive Officer. He was made Partner in charge of the Paris office of Atlas Venture, an international venture capital firm. He joined the Wendel Group in June 2005 and has been Managing Director since June 2008. Stéphane Bacquaert is a graduate of the École Centrale Paris and the Institut d'études politiques de Paris has an MBA from Harvard Business School.

Current positions [(1)]

Director: IHS, Saham group and Tsebo Solutions Group Holdings

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

Member of the Management Board: Materis Parent Sarl and Winvest Conseil Sarl

Director: Oranje-Nassau Mecatherm, Oranje-Nassau Developpement SA SICAR and Winvest International SA SICAR

(1) At December 31, 2017.

Stéphanie Besnier

Member of the Board of Directors

Member of the Audit & Risk Committee

40 years old [(1)]

Nationality: French

Main business address

Wendel

89, rue Taitbout

75009 Paris – France

Biography

Stéphanie Besnier was appointed as Director of the Company on October 18, 2016. Working at Wendel since 2007, Stéphanie Besnier began her career as a deputy officer in the Treasury department (international desk) of the French Ministry of Finance in 2003. Later, she worked for the agency managing the French State's equity holdings, where she was responsible for railway and shipping companies. Stéphanie Besnier graduated from France's *École Polytechnique, Corps des Ponts et Chaussées*, as well as the *École d'Économie de Paris*.

Current positions [(1)]

None

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

Director: IHS

(1) At December 31, 2017.

Claude Ehlinger

Member of the Board of Directors

Member of the Nomination & Compensation Committee

Member of the Strategy Committee

55 years old [(1)]

Nationality: Luxembourg

Main business address

Wendel London

63 Brook Street

London, W1K 4HS – United Kingdom

Biography

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

Current positions [(1)]

Director: Trief Corporation SA and Winvest Conseil SA

Chairman and Director: Stahl Lux 2 SA and Stahl Group SA

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

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

Director: Expansion 17 SA SICAR, Global Performance 17 SA SICAR

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

(1) At December 31, 2017.

Ana Giros Calpe

Member of the Board of Directors

Member of the Nomination & Compensation Committee

43 years old [(1)]

Nationality: Spanish

Main business address

Suez Groupe

Tour CB21

16, place de l'Iris

92040 Paris La Défense – France

Biography

Ana Giros Calpe has been a member of the Board of Directors since May 16, 2017. Ana Giros Calpe is the Chief Executive Officer for Latin America and a member of the Executive Committee at Suez. She is a graduate of the UPC engineering school in Barcelona and of INSEAD business school in France. She has held various positions at Alstom Transport including the position of Managing Director of its Transport France division.

Current position[(1)]

Director: Suez Treatment Solutions Spain

Permanent member of the Board: IAM (Inversiones Agnas Metropolitanas) (Chile)

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

None

(1) At December 31, 2017.

Ieda Gomes Yell

Member of the Board of Directors

Member of the Audit & Risk Committee

Member of the Strategy Committee

61 years old(1)

Nationality: British

Main business address

Bureau Veritas

Immeuble Newtime

40/52, boulevard du Parc

92200 Neuilly-sur-Seine – France

Biography

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

Current positions(1)

Director: Saint Gobain(2), InterEnergy Holdings and Exterran Corporation

Councilor: Brazilian Chamber of Commerce in Great Britain

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

Vice-Chairman: New Ventures and NGLs (BP Integrated Supply & Trading)

Member of the Board: BP Brasil Ltd. and BP Egypt Investments Ltd.

Managing Director: Energix Strategy Ltd.

Independent Chair: British Taekwondo Ltd.

(1) At December 31, 2017.

(2) Listed company.

Siân Herbert Jones

Member of the Board of Directors

Member of the Audit & Risk Committee

57 years old(1)

Nationality: British

Main business address

Bureau Veritas

Immeuble Newtime

40/52, boulevard du Parc

92200 Neuilly-sur-Seine – France

Biography

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

Siân Herbert-Jones holds an MA in History from Oxford University and is a Chartered Accountant in the United Kingdom.

Current positions(1)

Director: Air Liquide SA(2) (Chairman of the Audit and Accounts Committee), Capgemini SE(2) (since May 2016) and Compagnie Financière Aurore International (Sodexo group subsidiary) (since February 2016)

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

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

Chairman of Etin SAS, Sodexo Etinbis SAS and Sofinsod SAS

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

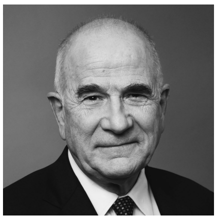
Member of the Executive Board: Sodexo en France SAS, Sodexo Entreprises SAS, Sodexo Pass International SAS, One SAS

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

3

(1) At December 31, 2017.

(2) Listed company.



Pierre Hessler

Member of the Board of Directors

Chairman of the Nomination & Compensation Committee

Member of the Strategy Committee

74 years old[1]

Nationality: French

Main business address

23, rue Oudinot

75007 Paris – France

Biography

Pierre Hessler, Chairman of the Supervisory Board from 2002 to 2005 and Vice-Chairman of the Supervisory Board since June 2005, was appointed as Director of the Company and Chairman of the Nomination & Compensation Committee on June 3, 2009 when the Company's governance and management structure changed. Pierre Hessler began his career at IBM where he spent approximately 27 years, holding positions at IBM Switzerland (from 1965 to 1980) where he was Director of Agencies in the computer field, then IBM Europe from 1980 to 1993 where he served as Director of Operations, Director of Marketing and Services, Regional General Director, Chairman of IBM France and General Director of Operations, Marketing and Services. From 1982 to 1984, he held positions as Director of Development at IBM Corporation, then as Director of Corporate Marketing from 1989 to 1991 and finally IBM Vice-President. In 1993, he joined Capgemini where he served in various executive management roles, including Chairman and Chief Executive Officer of Gemini Consulting, member of the Management Board, and Executive Officer, then Director, in 2000. Pierre Hessler is currently manager of Actideas and adviser to Capgemini. He holds a Bachelor's degree in Law and Political Economy from the University of Lausanne in Switzerland.

Current positions[1]

Advisor: Capgemini Government Solutions, Washington

Manager: Actideas SARL

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

Censor: Capgemini SE[2]

Chairman of the Supervisory Board: Capgemini Sd & M (Germany)

Director: A Novo Paris[2] and various companies in the Capgemini group

Manager: Médias holding SARL and Médias SARL

(1) At December 31, 2017.

(2) Listed company.

Pascal Lebard

Member of the Board of Directors

Member of the Nomination & Compensation Committee

Member of the Strategy Committee

55 years old[1]

Nationality: French

Main business address

Sequana

8, rue de Seine

92517 Boulogne-Billancourt cedex – France

Biography

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

Current positions[1]

Chairman and Chief Executive Officer: Sequana[2]

Director: CEPI (Confederation of European Paper Industries) (Belgium) and Lisi[2]

Chairman: DLMD SAS and Pascal Lebard Invest SAS

Permanent representative of Oaktree Luxembourg Flandre Anchor Sarl on the Board of Directors of Novartex (Vivarte) since April 2017

Positions held in subsidiaries of the Sequana group

Chairman: Arjowiggins, Antalis International, Antalis Asia Pacific Ltd. (Singapore), ArjoWiggins Paper Trading (Shanghai) Co Ltd. (China), Arjowiggins Security, Arjobex and Boccafin SAS

Director: Arjowiggins HKK1 Ltd. and Permal group Ltd. (United Kingdom)

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

Chairman: Fromageries de l'Étoile SAS and Étoile Plus SAS

Director: Club Méditerranée[2], SGS (Switzerland), Greysac (formerly Domaines Codem) and Taminco (USA)

Member of the Supervisory Board: Ofi Private Equity Capital and Eurazeo PME

(1) At December 31, 2017.

(2) Listed company.

Jean-Michel Ropert

Member of the Board of Directors

51 years old[1]

Nationality: French

Main business address

Bureau Veritas

Immeuble Newtime

40/52, boulevard du Parc

92200 Neuilly-sur-Seine – France

Biography

Jean-Michel Ropert, a member of the Supervisory Board since December 2005, was appointed as Director of the Company on June 3, 2009 when the Company's governance and management structure changed. He joined the Wendel Group in 1989 where he successively occupied various positions within the accounting, consolidation and treasury teams, before becoming Chief Financial Officer in 2002. From 2013 to September 2015, he served as Wendel's Group Vice-President in charge of Finance. Jean-Michel Ropert holds a degree in Finance and Accounting (DECF).

Current positions[1]

None

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

Chairman of the Board of Directors: Grauggen, Hourggen, Ireggen and Jeurggen (Luxembourg)

Chief Executive Officer: Coba

Member of the Supervisory Board (employee representative): Wendel[2] and Oranje-Nassau Groep BV (Netherlands)

Director: Deutsch group, Exceet, Stahl Lux2, Stahl group BV, Trief Corporation, Winvest Part BV, Stahl Holdings BV (Netherlands) and Union+

Director and Deputy Chief Executive Officer: Coba

Chairman: Winvest 11 SAS, Stahl group SA, Win Sécurisation and Sofisamc (Switzerland)

Chief Executive Officer and Director: Sofiservice

Member of the Management Board: Winvest Conseil and Materis Parent SARL (Luxembourg)

(1) *At December 31, 2017.*

(2) *Listed company.*

Lucia Sinapi-Thomas

Member of the Board of Directors

Member of the Audit & Risk Committee

53 years old[1]

Nationality: French

Main business address

Capgemini

76, avenue Kléber

75116 Paris – France

Biography

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

She has been a member of the Board of Directors of Dassault Aviation since May 15, 2014, and is also a member of the Dassault Aviation's Audit Committee. She joined the Board of Directors of Capgemini SE on May 24, 2012 and has been a member of the Capgemini SE's Compensation Committee since June 20, 2012.

Current positions[1]

Director: Capgemini SE:[2] and Dassault Aviation[2]

Positions held in subsidiaries of the Cap Gemini group

Chairman: Capgemini Employees Worldwide SAS

Director: Sogeti Sverige AB (Sweden), Sogeti Sverige MITT AB (Sweden), Capgemini Sogeti Danmark AS (Denmark), Sogeti Norge A/S (Norway), Sogeti SA (Belgium) and Capgemini Polska Sp zoo. (Poland) and Capgemini Business Services (Guatemala).

Chairman of the Supervisory Board: FCPE Capgemini

Member of the Supervisory Board: FCPE ESOP Capgemini

Chief Executive Officer: Sogeti France SAS since January 2018

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

Director: Sogeti AS/NV (Belgium), Euriware SA and Capgemini Reinsurance International (Luxembourg)

(1) At December 31, 2017.

(2) Listed company.

3.1.2 Executive Management

Didier Michaud-Daniel has been Chief Executive Officer of the Company since March 1, 2012.

Name, Age(1)	Nationality	Main business address	Position	Main function	Start of term of office	End of term of office	Company shares held(1)
Didier Michaud-Daniel 59 years old	French	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine France	Chief Executive Officer	Chief Executive Officer, Bureau Veritas	Appointed Chief Executive Officer on February 13, 2012 with effect from March 1, 2012 Reappointed on February 23, 2017 with effect from March 1, 2017	February 28, 2022	301,120

(1) At December 31, 2017.

Expertise and experience in corporate management of the Chief Executive Officer and positions held over the last five years

Didier Michaud-Daniel began his career at Otis in 1981 as a technical salesperson, progressing into sales management and operational support. In 1991, he was appointed Field Operations Officer of Otis France, and, in 1992, was promoted to Paris Field and Sales Operations Director. He was named Deputy General Manager of Operations in January 1998. From September 2001 to August 2004, Didier Michaud-Daniel was Managing Director of Otis United Kingdom and Ireland. He was Chairman of Otis for the UK, Germany and Central Europe region from August 2004 to May 2008, until his appointment as Chairman of Otis Elevator Company in May 2008.

Didier Michaud-Daniel is a graduate of École supérieure de commerce de Poitiers with a degree in Business Management and a graduate of INSEAD.

Current positions(1)

None

Positions held within the Group

Chairman of Bureau Veritas International SAS

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

None

3.1.3 Statements related to Corporate Officers

Convictions for fraud, public accusations and/or public sanctions, or liability for bankruptcy within the last five years

As far as the Company is aware, none of the Directors or the Chief Executive Officer have been, within the last five years, (i) convicted of fraud or been subject to an official accusation or penalty delivered by legal or administrative authorities; (ii) involved in a bankruptcy, receivership or liquidation; or (iii) prohibited by a court from acting as a member of an administrative, management or supervisory body of a company, or from participating in the management or conduct of a company's business.

Furthermore, there are no family relationships linking Corporate Officers (Directors and the Chief Executive Officer).

Conflicts of interest and agreements in which Directors and the Chief Executive Officer are interested parties

Pursuant to article 1.7 of the Board of Directors' Internal Regulations, all Board members undertake to avoid any conflict between their own interests and those of the Company.

The Directors and the Chief Executive Officer are required to promptly inform the Chairman of the Board of Directors of any related-party agreements that may exist between companies in which they have an interest, whether directly or through an intermediary, and the Company. The Directors and the Chief Executive Officer are required to notify the Board of Directors of any agreement, referred to under articles L. 225-38 *et seq.* of the French Commercial Code (*Code de commerce*), to be entered into between themselves or a company in which they are managers or in which they own, directly or indirectly, a significant shareholding and the Company or one of its subsidiaries. If any such agreement exists, the person(s) concerned will abstain from participating in discussions and all decision-making on related matters. These provisions do not apply to agreements entered in the ordinary course of business and under arm's length conditions.

In order to prevent any potential conflicts of interest, the Directors and the Chief Executive Officer are required to complete a signed declaration each year describing any direct or indirect links of any kind they may have with the Company. To this day, none of these declarations has revealed any existing or potential conflict of interest between the Chief Executive Officer or a Director and the Company. In cases where a business relationship is under consideration between (i) the Company or the Group and (ii) directly or indirectly a Director or the Chief Executive Officer, the procedure governing related-party agreements as set forth in articles L. 225-38 *et seq.* of the French Commercial Code, is followed.

With the exception of related-party agreements and commitments that were entered into or remained in effect during

(1) As of December 31, 2017.

2017 and presented in the section on related-party transactions in section 6.10 of this Registration document, the Company is not aware of any other potential conflicts of interest between the duties of the Directors and the Chief Executive Officer with regard to Bureau Veritas and their personal interests and/or other duties.

The members of the Board of Directors are not subject to any contractual restrictions regarding the Company's shares they own except for the closed and black-out periods as defined in the Group's Insider Trading Policy. However, under article 14.1, paragraph 2 of the Company's By-laws, members of the Board of Directors are required to hold a minimum of 1,200 shares throughout their term of office.

In addition to the prohibition referred to in the stock subscription or performance option and performance share plans, the Chief Executive Officer formally agreed not to use hedging instruments for the shares he holds in the Company throughout his term of office. He is also required to observe the restrictions regarding closed and black-out periods.

3.1.4 Executive Committee

The Executive Committee is the Group's management body. Chaired by the Chief Executive Officer, it includes the managers of Group divisions (Marine & Offshore, Consumer Products) and the heads of the main regions for the Commodities, Industry & Facilities[(1)] division and the support functions.

The Executive Committee examines and approves issues and decisions relating to the Group's strategy and general organization. It adopts the policies and procedures to be applied across the Group. Each Operating Group has its own Executive Committee.

As of the publication date of this Registration document, the Executive Committee had nine members:

- Didier Michaud-Daniel, Chief Executive Officer;
- Philippe Donche-Gay, Deputy Chief Executive Officer;
- Oliver Butler, Consumer Products;
- Eduardo Camargo, Commodities, Industry & Facilities - Latin America;
- Natalia Shuman, Commodities, Industry & Facilities - North America;
- Jacques Lubetzki, Commodities, Industry & Facilities - Europe;
- Nicolas Tissot, Finance & Legal Affairs;
- Xavier Savigny, Human Resources.

Bureau Veritas Executive Committee Members

Didier Michaud-Daniel – Chief Executive Officer

Didier Michaud-Daniel was appointed Chief Executive Officer of Bureau Veritas on March 1, 2012. Before taking on this position, he had been President of Otis Elevator Company since May 2008. Didier Michaud-Daniel began his career at OTIS in 1981 as a technical salesperson, progressing into sales management and operational support. In 1991, he was appointed Field Operations Director for Otis France and, in 1992, was promoted to Paris Field and Sales Operations Director. He was named Deputy General Manager of Operations in January 1998. From September 2001 to August 2004, Didier Michaud-Daniel served as Chief Executive Officer of Otis UK and Ireland. He was Chairman of Otis for the UK, Germany and Central Europe region from August 2004 to May 2008.

Didier Michaud-Daniel is a graduate of the École Supérieure de Commerce with a degree in Business Management and a graduate of INSEAD.

Didier Michaud-Daniel is a Chevalier de la Légion d'honneur.

Philippe Donche-Gay – Deputy CEO and President, Marine & Offshore Division

Philippe Donche-Gay joined Bureau Veritas in 2008 as Executive Vice-President for the Industry and Facilities Division and as President for the Marine & Offshore Division.

He started his career at IBM, holding various management positions in France and in the United States. In 1994, he joined the international management of Capgemini and as of 1996, set up a global unit dedicated to the Telecom market, becoming the unit's CEO in 2001. In 2004, he was appointed CEO of Capgemini France. In January 2007, he became CEO of Capgemini West Europe and Latin America. Member of the Capgemini Group's Executive Committee, he was also in charge of the global coordination of the Technology Services business line.

Philippe Donche-Gay holds an engineering degree from École Polytechnique and a Master's of Science from Stanford University.

Philippe Donche-Gay is a Chevalier de la Légion d'honneur.

Oliver Butler – Executive Vice-President Consumer Products Division

Oliver Butler joined Bureau Veritas in 2004 to set up the Electrical & Electronics platform. In 2008, he became Senior Vice-President in charge of the Global Testing Operations for the Consumer Products Services Division. Since June 2010, he has served as Chief Operating Officer for the Consumer Products Services Division. Before joining Bureau Veritas, Oliver Butler held senior management positions in both the IT and nuclear industries in Europe and North America, notably with Ontario Power Generation and Exelon Corporation of Chicago.

Oliver Butler obtained his final certificate in Radio telecommunications and computers from the Crawford Institute of Technology, Cork, Ireland.

(1) The Commodities, Industry & Facilities division created on January 1, 2016 includes the Commodities, Industry, Inspection & In-Service Verification and Certification businesses.

Eduardo Camargo – Executive Vice-President, CIF – Latin America

Eduardo Camargo started his career in Verolme Shipyard. In 1986, he joined Bureau Veritas in the Marine Division. In 1989, he worked for the Industry Division and, in 1993, for the Health, Safety & Environment Division. In 1997, he became Regional Chief Executive for Mexico & Central America, based in Mexico. In 2002, he was appointed Regional Chief Executive for Latin America, based in Argentina. Eduardo Camargo served as Senior Vice-President for the Latin America region of the Industry & Facilities Division until 2003, and was promoted to Executive Vice-President in 2011.

Eduardo Camargo holds a Master's degree in Naval Architecture & Marine Engineering from Rio de Janeiro Federal University (Brazil), an MBA in Finance from Rio de Janeiro Pontifical Catholic University (Brazil) and a diploma from an Executive Management Course at INSEAD (France).

Juliano Cardoso, Executive Vice-President, CIF – Africa, Middle East and Asia Pacific

Juliano Cardoso started his career as Quality Engineer at Duratex Group in Brazil. In 1995 he moved to the automotive industry, working for Textron Group as a quality and project manager. In 1999 he joined Bureau Veritas, first as Training & Consulting Manager, then as Senior Business Engineer. In 2003 he became Country Chief Executive for Chile and in 2006, he was appointed Regional Chief Executive for Chile and Peru. In 2011, he became Senior Vice-President for the Pacific region. In 2014 he was appointed Executive Vice-President for the Commodities Division. Since 2015, he has served as the Vice-President of the CIF Division.

Juliano Cardoso holds a Bachelor's degree in Business Management and a Master's degree in Reliability Engineering from Universidade de Campinas (Brazil) and a diploma from an Executive Management Course at INSEAD (France).

Jacques Lubetzki – Executive Vice-President, CIF – Europe

Jacques Lubetzki started his career in the Construction and Oil & Gas sectors. He worked for more than 10 years for Suez Group (now Engie), first as CEO of Novergie, then as Deputy CEO of Elyo (now Cofely).

In 2003, Jacques Lubetzki joined Bureau Veritas as Senior Vice-President in charge of Group Strategy & Organization. In 2005, he became Deputy CEO of France. In 2008, he was appointed Executive Vice-President for France, then, in 2012, for Southern Europe. Since 2013, he has been Executive Vice-President of CIF, Europe.

Jacques Lubetzki has an engineering degree from the Ecole Polytechnique and a Master's degree from Ecole Nationale des Ponts et Chaussées.

Xavier Savigny – Executive Vice-President, Human Resources

Xavier Savigny has been in charge of Group Human Resources since 2014. He joined Bureau Veritas in 2012 as Vice-President of Human Resources for Southern Europe for the Industry & Facilities Division.

He started his career with Otis in France where he held various senior positions in Human Resources, ultimately being promoted to Global Compensation & Benefits Manager. In 1998, he moved to Atos as Compensation and Benefits Director. In 2001, he returned to Otis as Director of Compensation & Benefits. In 2003, he was promoted to Human Resources Director for North Europe, with responsibilities expanding to Eastern Europe in 2004 and Africa in 2009. In 2010, he was appointed Vice-President of Group Human Resources, based in the United States.

Xavier Savigny holds an MSc in Chemical Engineering from the University of Technology of Compiègne (France) and a Master's Degree in Human Resources from ESSEC Business School (France).

Natalia Shuman – Executive Vice-President, CIF – North America

Before joining Bureau Veritas, Natalia Shuman was in charge of Kelly Services' EMEA and APAC regions. She also served as a board member of Kelly Services' joint venture, where she was based in Singapore and Switzerland.

She first joined Kelly Services in Russia to launch its operations there. She was relocated to New York in 2000 to take over Kelly Services' operations in the United States as well as key accounts and strategic growth initiatives. In 2011, she relocated to Asia to focus on Kelly Services' customers and partners in the APAC region. She was then appointed chief operating officer to start up Kelly's joint venture operations in China and North Asia and was based in Shanghai. She has been Senior Vice-President and General Manager of the EMEA and APAC regions for the past four years.

She completed a dual Global Executive MBA program with Columbia University and London Business School, and graduated with distinction from St. Petersburg University of Economics and Finance in Russia.

Nicolas Tissot – Executive Vice-President, Finance & Legal Affairs

Nicolas Tissot joined Bureau Veritas in May 2016 after having been the Group Chief Operating Officer and a member of the Executive Committee of the reinsurance company Scor since 2015. From 2010 to 2015, he was the Chief Financial Officer and a member of the Executive Committee of AlstPreviously, he worked for Engie (formerly GDF Suez), where he started in the Financial Planning and Analysis Department which he led from 2000 to 2003. He then became Chief Financial Officer and Executive Vice-President of Suez Energy International (2003-2005), Chief Financial Officer and Executive Vice-President of Electrabel (2005-2008), based in Brussels, and finally Deputy Chief Executive Officer of GDF Suez's Global Gas & LNG Division (2008-2010).

Nicolas Tissot started his career at the French Ministry of Economy, Finance and Industry (1995-1999).

Nicolas Tissot is a graduate of HEC business school and École nationale d'administration and was a senior civil servant (*inspecteur des finances*).

3.1.5 Corporate Governance Code

Since December 16, 2008, the Company refers to the AFEP-MEDEF Code in its version dated November 2016, which introduces new provisions on governance (strengthening of the Board's role in terms of strategy, Directors' independence, reference to CSR policy) and on pay.

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

Pursuant to article L. 225-37 of the French Commercial Code, this report details the provisions of the AFEP-MEDEF code that the Group has not complied with and the reasons for these exceptions in the table below.

AFEP-MEDEF rommendations	Bureau Veritas practices/explanations
Independent directors (section 8.5.6 of the Code) Directors cannot be members of the Board for more than 12 years.	The Board of Directors carefully examined Pierre Hessler's situation when it renewed his term of office in 2016. It noted that Pierre Hessler's seniority on the Board granted him a more extensive ability to understand the issues and risks at hand, and to question Executive Management, added weight to the opinions he expressed and enabled him to formulate balanced and objective judgments, regardless of the circumstances, with regard to Executive Management. Pierre Hessler's ability to think critically during debates and decision making by the Board, his personality, skills, leadership and commitment, which are widely recognized by the Company's shareholders, 98.79% of whom voted to approve the renewal of his term of office on May 17, 2016, also illustrate his independence of spirit. The Board also considered that the attention that Pierre Hessler always paid to the proper organization of the Board's work as Chairman of the Nomination & Compensation Committee, in particular within the scope of the annual evaluations and the appointment and renewal of terms of office of independent directors, is essential. These qualities, combined with a strong grasp of the challenges faced by the Company, make a major contribution to the Board's deliberations and to the contextualization of its decisions. On the recommendation of the Nomination & Compensation Committee, the Board of Directors confirmed on December 15, 2017 its position under which the 12-year criterion set out in the Code was not sufficient to automatically disqualify a Director as an independent director.
Evaluation of the Board of Directors (section 9.2 of the Code) The evaluation should consider the actual contribution of each Director to the Board's work.	During the annual evaluation of the Board of Directors and its Committees, each Director is asked about the organization of the Board's work, and at that time he/she has the opportunity to discuss any problems. Any Directors who so wish can therefore freely express their opinion on the actual individual contributions of each Director during their discussions with the Chairman of the Nomination & Compensation Committee or the specialist firm in charge of the evaluation. The Nomination & Compensation Committee members and subsequently the Board evaluateeach Director's contribution and how well their profiles match with the Company's needs notably at the time of appointing and/or renewing the terms of office of Directors and Committee members. Given the positive findings of the evaluation, resulting from individual contributions generally found to be satisfactory, to date the Board has not expressed a wish to conduct a formal evaluation of each Director's contribution, since it considers this could adversely affect the culture of trust.
Composition of the Audit & Risk Committee (section 15.1 of the Code). Two-thirds of the members of the Audit & Risk Committee must be independent directors.	Besides the independence criterion, and given the composition of the Board, members of the Audit & Risk Committee are selected primarily based on their experience and expertise, particularly in the fields of finance, accounting and risk management. Even though the proportion of two-thirds of independent members has not been complied with three of the five members including the Chairman of the Committee are independent, i.e., 60% of the Audit & Risk Committee members.
Stock options and performance shares (section 24.3.3 of the Code) Based on each company's particular situation (size, industry, scope of granting, number of senior executives, etc.) and in relation to the global amount approved by the shareholders, the Board shall set the maximum percentage of options and performance shares that may be granted to Corporate Officers. The resolution authorizing the allocation plan submitted to the vote at the Shareholders' Meeting must mention the maximum percentage of options and performance shares that can be granted to Executive Corporate Officers in the form of a sub-ceiling of allocation.	Although the ceiling for stock option and performance shares expressed as a percentage of capital is not defined in the resolutions, the Board ensures that there is a fair balance of these allocations with respect to the Company's capital, the Chief Executive Officer's compensation and the total number of stock options and performance shares granted. The Company will comply with this when renewing the resolutions authorizing stock option and performance share plans at its May 15, 2018 Annual Shareholders' Meeting.
Stock options and performance shares (section 24.3.3 of the Code) Stock options and performance shares valued under the method applied in the consolidated financial statements must represent a proportionate percentage of the aggregate of all the compensation, options and shares which are granted. The Board shall set the maximum percentage of compensation that such allocations cannot exceed.	The Company will follow this recommendation in 2018.

3.1.6 Conditions governing the preparation and organization of the work of the Board of Directors

Conditions governing preparation and organization

Framework for the work of the Board of Directors

The conditions governing the preparation and organization of the work of the Board of Directors are set out in the Board's Internal Regulations which were last updated on February 23, 2017. These Internal Regulations represent the Governance Charter for Directors.

The Board of Directors meets as often as needed in the interests of the Company and meetings are convened by its Chairman.

The provisional annual schedule of the Board of Directors' meetings (excluding extraordinary meetings) is drawn up and sent out to each member before the end of each financial year.

In addition to the mandatory Board meetings held to finalize the annual and interim financial statements, meetings are held to prepare the Annual Shareholders' Meeting and the Registration document, or in the normal course of business (planned acquisitions, deposits, endorsements and guarantees, authorizations to be given pursuant to the internal governance rules set out in article 1.1 of the Internal Regulations of the Board of Directors).

The Statutory Auditors are convened to meetings of the Board held to finalize the annual and interim financial statements.

Each year, a meeting is held without the Chief Executive Officer. In addition, the Directors may meet with the Company's key executives without the Chief Executive Officer, who is notified of the meeting in advance.

For each meeting, a file covering the items on the agenda is prepared and sent to each member a few days before the meeting to allow prior examination of documents by the Directors.

During meetings, members of Executive Management give a detailed presentation of the items on the agenda. Generally speaking, each Director is provided with all the information needed to carry out his/her duties and can ask Executive Management to provide him/her with any useful documents (including any critical information about the Company). Questions may be asked during presentations and these are followed by discussions before a vote is taken. Detailed minutes in draft form, summarizing the discussions and questions raised and mentioning the decisions and reservations made are then sent to members for examination and comment before being formally approved by the Board of Directors.

The Directors may also be provided with useful information about the life of the Company at any time if such information is considered as important or urgent.

They may also receive additional training, if they see fit, on the Company's specific nature, its businesses and sector of activity.

Internal Regulations of the Board of Directors

The Board's Internal Regulations are intended to lay down how it organizes its work in addition to the relevant legal, regulatory and By-laws provisions, and were adopted at the Board of Directors' meeting of June 3, 2009. They are reviewed and regularly updated by the Board of Directors. The Internal Regulations were updated at the Board of Directors' meetings of August 25, 2010 and May 27, 2011, respectively to take into account changes made to the limitations imposed on the powers of the Chief Executive Officer and executive officers concerning the authorized threshold for planned acquisitions such threshold was increased from €5 million to €10 million, while the minimum number of Company shares to be held by a Director was raised from 100 to 300. The Internal Regulations were updated again in June, July and November 2013 to reflect (i) the four-for-one stock split and the resulting change in the minimum number of shares in the Company to be held by each Director (i.e., 1,200) and (ii) the June 2013 amendments to the AFEP-MEDEF Code. They were also updated in May 2015 to restrict the limitations imposed on the powers of the Chief Executive Officer as regards strictly internal reorganizations and to amend the article on the length of Directors' terms of office following the amendment to article 14.3, paragraph 2 of the By-laws by the Shareholders' Meeting of May 20, 2015. The Internal Regulations were updated again in February 2017 to take into account changes to the Group's organization.

The Internal Regulations state that the Board of Directors determines the strategic direction of the Company's business and ensures that they are implemented. Subject to powers granted expressly by law to Shareholders' Meetings and within the limits of the corporate purpose, the Board handles all issues related to the proper functioning of the Company and resolves by deliberation all business matters.

The Internal Regulations are divided into five chapters, the main provisions of which are described below:

- the first chapter deals with the role of the Board of Directors and describes the conditions for holding Board meetings (e.g., meetings using telecommunications means), ethical rules and the Directors' Charter and Directors' compensation;
- the second chapter specifies the rules for Directors' independence;
- the third and fourth chapters concern the censors (*censeurs*) and the Board's Committees; and
- the last chapter deals with the terms and conditions applicable to amendments, entry-into-force and publication of the Internal Regulations and to the evaluation of the Board of Directors.

The Internal Regulations also provide the limitations imposed on the powers of Executive Management which are detailed in the section "Limitations placed on the powers of the Chief Executive Officer by the Board of Directors" in section 3.1.6 of this Registration document. The Internal Regulations state in particular that any major strategic transactions or transactions that may have a material effect on the economic, financial or legal situation of the Company and/or Group and are not foreseen in the annual budget must receive prior approval from the Board.

Lastly, the Internal Regulations state that each Director shall be given all of the information needed to carry out his/her duties and can ask Executive Management to provide him/her with any useful documents.

Insider Trading Policy

The Company aims to ensure the compliance with the recommendations issued by the stock market authorities with respect to the management of the risks relating to the possession, disclosure and possible use of inside information.

The Company drew up an Insider Trading Policy in 2008 and appointed a Group Compliance Officer. The purpose of this Insider Trading Policy is to outline applicable regulations and to draw the attention of the concerned people to (i) the laws and regulations in force regarding inside information (requirement to refrain from trading shares, ban on certain speculative transactions and special provisions on stock options and free shares), as well as the administrative sanctions and/or penalties for not complying with those laws and regulations, and (ii) the implementation of preventive measures (black-out periods, insider lists, confidentiality list, disclosure requirements and reporting obligations of executives and individuals closely related to them) that enable them to invest in Bureau Veritas shares while in full compliance with the rules on market integrity. Each Director agrees to comply with the provisions of this Charter when taking up office.

The Insider Trading Policy also provides for "black-out" periods beginning 30 days before the publication of the annual and half-year parent company and consolidated financial statements and ending the day after their publication, and a period beginning 15 days before the publication of quarterly financial information and ending the day after its publication, during which the concerned people must abstain from any transactions on the Company's shares.

The Charter was updated by the Board of Directors' meeting of December 16, 2016 following the entry into force of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse.

Work of the Board of Directors

In 2017, the Company's Board of Directors met nine times with an attendance rate of 97%. Meetings lasted four hours on average.

With regard to financial and accounting matters, the Board of Directors prepared the parent company and consolidated financial statements for 2016 and the first half of 2017, together with the related financial reporting. It examined the Group's business activities and performance, along with management projections, the financial position, debt, cash and long-term financing. The Board also delegated authority to the Chief Executive Officer in respect of deposits, endorsements and guarantees. At its December 2017 meeting, the Board reviewed and approved the draft Group budget for 2018.

With regard to governance matters, the Board of Directors considered the Company's compliance with the recommendations of the AFEP-MEDEF Code and of the AMF regarding corporate governance and compensation for 2017, as well as "Say on Pay" (ex ante vote), and set the objectives and compensation of the Chief Executive Officer and the methods for allocating Directors' fees among the Directors. The Board considered appointments, changes and issues relating to succession planning within the Group's Executive Committee, as well as changes in the composition of the Board of Directors and its committees to further its aim of strengthening diversity and the range of expertise as well as increasing the proportion of female and non-French members. On February 23, 2017, based on the financial statements for the year ended December 31, 2016, the Board of Directors noted that the performance conditions for the performance share and stock subscription and purchase option plans of July 16, 2014, July 15, 2015 and June 21, 2016 had been met. The Board of Directors also approved the report of its Chairman on corporate governance and on internal control and risk management procedures.

The Board of Directors, making use of the authority delegated to it by the Shareholders' Meeting, approved the implementation of performance share and stock purchase option plans put in place for managers and the Chief Executive Officer. It authorized the Chief Executive Officer to implement the share buyback program and to renew the liquidity agreement. The Board of Directors reduced the Company's share capital by canceling treasury shares held in connection with the share buyback program.

With regard to strategic matters, the Board of Directors monitored implementation of the Group's strategy and digital transformation and approved the Group's major planned acquisitions.

In accordance with the action plan drawn up after the 2016 evaluation of the Board and its committees, the format of meetings continued to evolve to make them more interactive and analytically focused. In addition, operational presentations were given regularly to the Board by members of the Group's Executive Committee and further progress was made on the reports submitted to the Board by the Chairmen of the committees.

Evaluation of the Board of Directors and its committees

In accordance with the recommendations of the AFEP-MEDEF Code and pursuant to article 5.4 of the Board of Directors' Internal Regulations, since 2009 the Company has evaluated the composition, organization and functioning of the Board of Directors and its committees.

The aim of this evaluation is to review the organization of the Board's work so as to make it more effective and ensure that important issues are properly prepared and discussed. Each year, the results of this evaluation are examined by the Nomination & Compensation Committee before being presented to the Board of Directors. The Board then examines its functioning, composition and organization.

The Chairman of the Nomination & Compensation Committee is responsible for this evaluation, except every three years when the evaluation is performed by a specialist firm. The evaluation for 2017 was conducted by a firm based on individual meetings with each Director.

The results of this evaluation were presented for discussion to the Nomination & Compensation Committee before being presented to the Board of Directors at its meeting on December 15, 2017.

On the recommendation of the Nomination & Compensation Committee, the Board has defined an action plan outlining avenues for improvement in 2018: (i) continuing to make working documents less verbose, (ii) continuing to invite operating managers to Board meetings on a regular basis to enhance cohesion and ensure that information is shared effectively with the Board, (iii) determining at the start of the year the topics to be addressed during the year by the Board and the committees and deciding in advance on the methods to be used to monitor the topics (jointly with the Chairman of the Board and the Chairmen of the committees), and lastly (iv) when the next Directors are selected, identifying candidates that correspond to the Group's main challenges.

Committees of the Board of Directors

The Internal Regulations of the Board of Directors provide for the possibility of creating one or more Board Committees intended to enrich its reflections, facilitate the organization of the Board's work and contribute effectively to the preparation of its decisions. The committees have an advisory role and are responsible for working on matters submitted by the Board or its Chairman and for presenting their findings to the Board in the form of reports, proposals or recommendations.

In 2017, the Board of Directors was assisted in the course of its work by three Board Committees, whose members all sit on the Board: the Audit & Risk Committee, the Nomination & Compensation Committee and the Strategy Committee.

Audit & Risk Committee

The Audit & Risk Committee adopted Internal Regulations in 2009 that describe its role, resources and functioning. These Internal Regulations were updated at its meeting of July 27, 2016 to reflect the role of the committee further to Regulation (EU) No. 537/2014 and Ministerial Order No. 2016-315 of March 17, 2016 on statutory audit engagements.

The Audit & Risk Committee is responsible for monitoring the process of preparing financial and accounting information, the effectiveness of Internal Audit and risk management systems, the statutory audit of the annual financial statements and consolidated financial statements by the Statutory Auditors and Statutory auditor's independence. It prepares and facilitates the work of the Board of Directors in these areas.

More specifically, it is responsible for:

- Financial reporting:
  - monitoring the process of preparing financial information and, where applicable, drawing up recommendations to guarantee the reliability of such information;
  - analyzing the relevance of the accounting standards selected, the consistency of the accounting methods applied, the accounting positions adopted and the estimates made to account for material transactions, and the scope of consolidation;
  - examining, before they are made public, all financial and accounting documents issued by the Company, including quarterly publications and earnings releases.
- Internal control systems and risk management procedures:
  - monitoring the effectiveness of internal control and risk management systems, along with Internal Audit where applicable, regarding the procedures adopted to prepare and process financial and accounting information, without compromising its independence;
  - monitoring the effectiveness of information system security;
  - examining risks, disputes and material off-balance sheet commitments.
- External oversight – Statutory Auditors
  - issuing a recommendation to the Board of Directors pursuant to article 16 of Regulation (EU) No. 537/2014 on the Statutory Auditors recommended for appointment or reappointment by the Shareholders' Meeting;
  - monitoring the work of the Statutory Auditors taking into account the observations and findings of the Haut Conseil du Commissariat aux Comptes (French audit oversight Board) further to the audits performed in application of articles L. 821-9 *et seq.* of the French Commercial Code;
  - ensuring that the Statutory Auditors comply with the independence rules set out in articles 821-9 *et seq.* of the French Commercial Code, taking the necessary measures pursuant to section 3, article 4 of the aforementioned Regulation (EU) No. 537/2014 and ensuring that the conditions set out in article 6 of said Regulation are respected;
  - approving services, other than statutory audit services, provided by the Statutory Auditors or by members of their network set out in article L. 822-11-2 of the French Commercial Code. The Audit & Risk Committee issues its opinion after reviewing the risks regarding Statutory auditor's independence and the measures taken by the Statutory Auditors to safeguard their independence.

The Audit & Risk Committee must report on its work to the Board of Directors and bring to its attention any matters which appear problematic or which require a decision to be taken. It also reviews all issues raised by the Board of Directors on the matters set forth above.

It meets as often as it deems necessary and at least before each publication of financial information.

If it deems necessary, the Audit & Risk Committee can invite one or more members of Executive Management and the Company's Statutory Auditors to attend its meetings.

The Chairman of the committee may call a meeting with the Statutory Auditors and another with the head of Internal Audit at any time he/she deems appropriate, neither of which are attended by management.

In the course of its work and after having informed the Chairman of the Board of Directors, and provided it notifies the Board of Directors, the Audit & Risk Committee may ask Executive Management to provide it with any documents that it deems relevant to its work and may speak to all or some of the members of Executive Management or to any other person whom the committee deems useful.

The Audit & Risk Committee can also request the assistance of any third party it deems appropriate at its meetings (independent experts, consultants, lawyers or Statutory Auditors).

In accordance with the AFEP-MEDEF Code and except in duly substantiated cases, the information needed for the committee's discussions is sent several days prior to the meeting. In 2017, the committee was able to review the annual and half-year financial statements at least two days before they were reviewed by the Board of Directors.

At December 31, 2017, the Audit & Risk Committee had five members: Aldo Cardoso (Chairman), Stéphanie Besnier, Ieda Gomes Yell, Siân Herbert-Jones and Lucia Sinapi-Thomas. Based on their professional experience and training, the Company believes that the members of its Audit & Risk Committee have the required financial and accounting expertise. Besides the independence criterion, and in view of the composition of the Board, Directors were selected primarily based on their experience and expertise. The proportion of two-thirds of independent members recommended by the AFEP-MEDEF Code has not been observed; however, three of the five members including the Chairman are independent.

The Audit & Risk Committee met eight times in 2017, with an attendance rate of 91%. The meetings were attended variously by the Chief Financial Officer and the heads of Accounting, Management Control, Legal, Risk & Compliance, Internal Audit & Acquisitions Services, Treasury and Tax Affairs departments.

The Statutory Auditors attended the meetings of the Audit & Risk Committee, at which they presented their work and described the accounting options applied.

In 2017, the Audit & Risk Committee examined the parent-company and consolidated financial statements for 2016, the half-year results for 2017 and revenue for the first and third quarters of 2017, as well as the related press releases and financial reports.

During these meetings, the parent-company and consolidated financial statements, the notes to the financial statements and technical issues relating to the year-end were discussed by the Group's Finance teams and analyzed by the members of the Audit & Risk Committee in the presence of the Statutory Auditors. Particular attention was paid to the proposal for allocating 2016 profit, the measurement and allocation of goodwill, provisions for other liabilities and charges and significant off-balance sheet commitments.

The work of the Audit & Risk Committee also covered: the monitoring of the "Move for Cash" plan, exchange rate impacts and risks, tax-related developments including changes in the regulations, the share buyback program, changes to debt, the Group's various financing arrangements, the evaluation of the Statutory auditor's work and independence and their advisory fees and the Group's financial documentation.

Every six months, the committee also reviewed the findings of the internal audits that had been conducted as well as the proposed annual planning and was kept informed of the progress of the action plans. The Audit & Risk Committee also reviewed the results and action plans reported to it in connection with the implementation of the *AMF*'s Reference Framework for Risk Management and Internal Control.

The head of Legal, Risk & Compliance presented his half-year reports on risk management (including an update on the progress made on the new risk mapping initiative), litigation (including a root cause analysis of the Group's main disputes) and compliance (fight against corruption, international sanctions, investigations, regulatory intelligence, etc.) to the Audit & Risk Committee. The Statutory Auditors informed the committee of their main observations regarding the identification of risks and their assessment of the internal control procedures.

After each meeting, the Chairman of the Audit & Risk Committee provided a detailed report of the committee's work, proposals and recommendations to the Board of Directors. The Chairman also presented the committee's recommendations, findings and/or observations on the annual and half-year financial statements at the Board meeting at which these financial statements were finalized. This is also the case for reports that may be presented by the Audit & Risk Committee on specific issues at the request of the Board of Directors.

Strategy Committee

The Strategy Committee has adopted Internal Regulations that describe its role, resources and operation. It is primarily responsible for examining and providing the Board of Directors with its opinion and recommendations regarding the preparation and approval of the Group's strategy, its budget and amended budgets as well as any planned acquisitions and disposals, particularly those submitted for prior authorization to the Board of Directors in accordance with article 1.1 of the Board's Internal Regulations.

The Strategy Committee may, at its own discretion, organize meetings with the members of Executive Management, after having informed the Chief Executive Officer, or request external technical studies or be accompanied by any outside counsel of its choice provided that it notifies the Board of Directors.

As of December 31, 2017, the Strategy Committee had five members: Frédéric Lemoine, (Chairman), Claude Ehlinger, Ieda Gomes Yell, Pascal Lebard and Pierre Hessler. Since January 1, 2018, André-François Poncet has replaced Frédéric Lemoine as Chairman of the Strategy Committee. Three out of five members are independent.

In 2017, the Strategy Committee met seven times with a 100% attendance rate. It chiefly considered the implementation of the Group's strategic plan, the appropriateness and feasibility of the different strategic options available to it, and any planned acquisitions.

The Chairman of the Strategy Committee reports on the committee's work to the Board of Directors in detail.

Nomination & Compensation Committee

The Company has a unified Nomination & Compensation Committee, which has Internal Regulations that describe its role, resources and functioning. It is mainly responsible for making recommendations to the Board of Directors with regard to the selection of members of Executive Management and the Board, succession planning and executive compensation and benefits of the members of the Executive Management, as well as the methods of determining such compensation (fixed and variable portions, calculation method and indexing). Since February 25, 2015, the Nomination & Compensation Committee has also analyzed Corporate Social Responsibility (CSR) issues.

If it deems necessary, the Nomination & Compensation Committee can invite one or more members of Executive Management or any other Company employee to attend its meetings. The Nomination & Compensation Committee can also request the assistance of any third party it deems appropriate at its meetings (independent experts, consultants, lawyers or Statutory Auditors).

At December 31, 2017, the Nomination & Compensation Committee comprised five members, four of whom were independent: Pierre Hessler (Chairman), Aldo Cardoso, Claude Ehlinger, Ana Giros Calpe and Pascal Lebard. No Executive Corporate Officers sit on the committee. The Chief Executive Officer was involved in the committee's work, except when agenda items concerned him. He does not participate in the deliberations.

In 2017, the Nomination & Compensation Committee met seven times with a 97% attendance rate. It considered the compensation policy and the objectives for the Chief Executive Officer for 2017, as well as the quantitative and qualitative criteria used to determine the variable portion of compensation in respect of 2016. It also recommended putting in place stock option and performance share plans, which were approved by the Board of Directors on June 21, 2017, examined the compensation policy for the Chairman of the Board of Directors in light of the change in leadership in March 2017, and reviewed the method for allocating Directors' fees. The committee also worked on the procedure for renewing the Chief Executive Officer's term of office, issues relating to succession planning within the Group, and changes in the composition of the Board of Directors and its committees to further its aim of strengthening diversity and the range of expertise as well as increasing the proportion of female members. At its meeting on December 14, 2017, it reviewed the Company's compliance with the AFEP-MEDEF Code and analyzed the results of the evaluation of the Board and its committees. It also submitted an action plan to the Board in this respect.

The Chairman of the Nomination & Compensation Committee reports in detail to the Board of Directors on its work, opinions, proposals and recommendations and informs it of all matters which seem problematic or which require a decision.

Limitations placed on the powers of the Chief Executive Officer by the Board of Directors

The Board of Directors' Internal Regulations, which were updated on May 20, 2015, define the respective roles of the Board of Directors, the Chairman of the Board of Directors and the Chief Executive Officer, and also set limitations on the powers of the Chief Executive Officer.

In addition to the decisions that legally require prior approval of the Board of Directors, prior approval of the Directors is also required for the following decisions of the Chief Executive Officer:

(i) approval of the annual budget;

(ii) any introduction by the Company of stock option or free share plans and any granting of stock purchase or subscription options or free shares to the Group's Executive Committee and Executive Leadership Team (ELT);

(iii) any implementation of a procedure provided for in Book VI of the French Commercial Code or any equivalent procedure relating to the Company or to French or foreign subsidiaries that represent more than 5% of the Group's Adjusted Operating Profit (AOP);

(iv) any substantial change in the corporate governance rules relating to internal control, as set out in article L. 225-37 of the French Commercial Code;

(v) any purchase of Company's shares, besides purchases made within the framework of a liquidity agreement previously approved by the Board of Directors;

(vi) any decision to initiate a procedure with the aim of being listed on a regulated market or withdrawing such listing for any financial instrument issued by the Company or one of its subsidiaries;

(vii) any implementation of an authorization from the Shareholders' Meeting resulting immediately or over time in an increase or reduction in share capital or the cancellation of shares of the Company;

(viii) notwithstanding the powers vested in the Shareholders' Meeting by the law and the By-laws, any appointment, dismissal, renewal or termination of the term of office of Statutory Auditors, including those in any French or foreign subsidiaries with equity as per the consolidated financial statements of over €50 million;

(ix) any transactions referred to in the sections above, with the exception of those carried out as part of an intragroup reorganization, whenever the amount of each such transaction exceeds €10 million and provided that the transaction was not authorized during the annual budget approval process:

- acquisitions or disposals of Company real estate or other assets,
- acquisitions or disposals of shareholdings or business assets,
- partnership agreements involving an investment of the aforementioned amount.

For the purposes of this section, "intragroup" transactions are transactions between entities owned directly or indirectly by the Company;

(x) all debt, financing or off-balance sheet commitments entered into by the Company representing an annual aggregate or transaction amount of over €50 million, other than:

- transactions subject to the prior approval of the Board of Directors pursuant to the law (sureties, endorsements and guarantees) or in accordance with the Board's Internal Regulations, and
- intragroup financing between Group's companies held directly or indirectly by the Company, including capital increases and decreases, current account advances provided that the planned intragroup financing transaction is not designed to settle the liability of the entity concerned;

(xi) any approval given by the Company to directly or indirectly controlled companies to carry out an operation such as referred to in points (ix) and (x) above;

(xii) the granting of any pledge to guarantee the commitments entered into by the Company for an amount exceeding €5 million per commitment;

(xiii) the introduction of mandatory or discretionary profit-sharing schemes at Company or Group level;

(xiv) in the event of any dispute, carrying out any transaction with a net impact on the Group (after insurance) in excess of €10 million;

(xv) hiring/appointments, removals/dismissals and annual compensation of members of the Group's Executive Committee and Executive Leadership Team (ELT);

(xvi) any major strategic transactions or any transactions likely to have a material effect on the economic, financial or legal situation of the Company and/or Group not provided for in the annual budget.

These limitations on the powers of the Chief Executive Officer are valid internally but cannot be enforced against third parties in accordance with the provisions of article L. 225-56-I, paragraph 3 of the French Commercial Code.

Summary of delegations of authority/authorizations granted by the Shareholders' Meeting to the Board of Directors (article L. 225-37-4 of the French Commercial Code)

The table below summarizes the delegations of authority/authorizations relating to share capital granted by the Shareholders' Meeting to the Board of Directors that are still in effect as of the filing date of the Registration document.

Nature of delegation/authorization granted to the Board of Directors	Date of the Ordinary and Extraordinary Shareholders' Meeting (OESM)	Duration and expiration of the authorization	Maximum nominal amount	Use during the year
Issuance, with preemptive subscription rights, of (i) ordinary shares in the Company and/or (ii) equity securities that give access immediately and/or in the future to existing or new shares of the Company and/or one of its subsidiaries and (iii) debt securities that give access or may give access to new shares issued by the Company or any of its subsidiaries	OESM May 16, 2017 (19th resolution)	26 months, i.e., until July 15, 2019	Maximum nominal amount of capital increases: €8 million[a] Maximum nominal amount of debt securities: €1 billion[b]	Not used
In the event of excess demand, increasing the number of securities issued with preemptive subscription rights, in accordance with the 19th resolution	OESM May 16, 2017 (20th resolution)	26 months, i.e., until July 15, 2019	15% of the initial issue[a][b]	Not used
Issuance, with cancellation of preemptive subscription rights, for members of a company savings plan of (i) ordinary shares of the Company and/or (ii) securities giving immediate and/or future access to the share capital of the Company	OESM May 16, 2017 (21st resolution)	26 months, i.e., until July 15, 2019	Maximum nominal amount of capital increases: 1% of the share capital[a] Maximum nominal amount of debt securities: €1 billion[b]	Not used
Increase in the share capital by capitalizing reserves, retained earnings, share premiums or any other sum that may be capitalized	OESM May 16, 2017 (22nd resolution)	26 months, i.e., until July 15, 2019	Maximum nominal amount of capital increases: €6 million[a] Maximum nominal amount of debt securities: €1 billion[b]	Not used
Issuance of (i) ordinary shares of the Company and/or (ii) securities giving access immediately and/or in the future to the Company's share capital as consideration for contributions in-kind granted to the Company	OESM May 16, 2017 (23rd resolution)	26 months, i.e., until July 15, 2019	Maximum nominal amount of capital increases: 10% of the share capital[a] Maximum nominal amount of debt securities: €1 billion[b]	Not used
Issuance of (i) ordinary shares of the Company and/or (ii) securities giving access immediately and/or in the future to the Company's share capital as consideration for share contributions made under a public exchange offering initiated by the Company	OESM May 16, 2017 (24th resolution)	26 months, i.e., until July 15, 2019	Maximum nominal amount of capital increases: €4 million[a] Maximum nominal amount of debt securities: €1 billion[b]	Not used

Nature of the delegation/authorization granted to the Board of Directors	Date of the Ordinary and Extraordinary Shareholders' Meeting (OESM)	Duration and expiration of the authorization	Maximum nominal amount	Use during the year
Grant of stock subscription or purchase options to employees and/or Executive Corporate Officers of the Group	OESM May 17, 2016 (14th resolution)	26 months, i.e., until July 16, 2018	1.5% of the share capital(c)	Authorization partially used by the Board of Directors on June 21, 2017 to grant 1,229,060 share purchase options. (Combined ceiling used for up to 2,436,880 shares).
Grant of existing or new free ordinary shares of the Company to employees and/or Executive Corporate Officers of the Group	OESM May 17, 2016 (15th resolution)	26 months, i.e., until July 16, 2018	1% of the share capital(c)	Authorization partially used by the Board of Directors on June 21, 2017 to grant 1,207,820 performance shares. (Combined ceiling used for up to 2,436,880 shares.)
Share buyback	OESM May 16, 2017 (18th resolution)	18 months i.e., until November 15, 2018	Maximum unit price per share: €40 10% of the share capital(d)	Continuation of the liquidity agreement implemented in February 2008 and buyback of 2,400,000 shares
Reduction in the share capital by canceling all or a portion of the Company shares acquired under any share buyback program	OESM May 16, 2017 (25th resolution)	26 months, i.e., until July 15, 2019	10% of the share capital	Authorization used in December 2017 to cancel 330,000 treasury shares acquired under the share buyback program.

(a) *The overall maximum nominal amount of capital increases that may be made under the 19th, 20th, 21st, 22nd, 23rd and 24th resolutions adopted at the Ordinary and Extraordinary Shareholders' Meeting on May 16, 2017 may not exceed €14 million.*

(b) *The overall maximum nominal amount of securities representing debt securities that may be issued under the 19th, 20th, 21st, 23rd and 24th resolutions adopted at the Ordinary and Extraordinary Shareholders' Meeting on May 16, 2017 may not exceed €1 billion.*

(c) *The total maximum number of shares that may be granted pursuant to the 14th and 15th resolutions adopted at the Shareholders' Meeting on May 17, 2016 may not exceed 1.5% of the share capital.*

(d) *The maximum amount allocated to the share buyback program amounts to €1,768,000,000 corresponding to a maximum of 44,200,000 shares purchased on the basis of a maximum unit price of €40 (excluding transaction costs) and on the number of shares comprising the Company's share capital at December 31, 2017. In the event of acquisitions, mergers, spin-offs or contributions, the treasuring shares acquired for this purpose may not exceed 5% of the total number of shares comprising the Company's share capital.*

3.1.7 Conditions for participating in Shareholders' Meetings

Any shareholder is entitled to participate in Shareholders' Meetings under the conditions provided for by law.

The conditions governing participation in Shareholders' Meetings are set out in article 26 of the By-laws. A summary of these rules is given in section 6.11 of Chapter 6 – Information on the Company and the capital of this Registration document. The By-laws are also available on Bureau Veritas' website (www.bureauveritas.fr).

Article 28.3 of the By-laws stipulates that a double voting right is conferred to all fully paid-up registered shares held by the same shareholder for at least two years.

3.1.8 Issues likely to have an impact in the event of a public offer

Information on issues likely to have an impact in the event of a public offer, as stipulated in article L. 225-37-5 of the French Commercial Code is provided in sections 1.11.3 – Risks related to Group debt, sources of financing and commitments (change of control clauses defined in the financing documentation), 3.1.1 – Board of Directors, 3.1.6 – Limitations placed on the powers of the Chief Executive Officer by the Board of Directors and the summary table of the delegations/authorizations granted by the Shareholders' Meeting to the Board of Directors, 6.6.3 – Acquisition of treasury shares, 6.7.1 – Group ownership structure and 6.11 – Articles of incorporation and by-laws (crossing of legal thresholds and rules applicable to amending the By-laws and the convening of Shareholders' Meetings) of this Registration document.

3.2 Corporate Officers' compensation

3.2.1 Compensation for members of the Board of Directors

Compensation policy for members of the Board of Directors

The members of the Company's Board of Directors receive Directors' fees. The maximum aggregate amount of Directors' fees that can be awarded to members of the Board is set by the Shareholders' Meeting.

The annual maximum amount of Directors' fees that can be awarded to members of the Board was set at €1,000,000 at the Shareholders' Meeting of May 16, 2017. The total amount paid in respect of 2017 was €801,774.

Directors' fees were awarded taking into account the attendance and participation of Directors at Board and committee meetings. In order to comply with the recommendations of the AFEP-MEDEF Code, the method for awarding Directors' fees was changed by the Board of Directors at its meeting of December 11, 2014 to make the variable portion primarily dependent on attendance and participation in Board Committees.

Directors' fees are allocated in accordance with the rules of allocation decided by the Board of Directors.

In 2017, Directors' fees were allocated on the following basis:

Directors

- fixed annual fee of €15,000 per Director;
- attendance: €2,250 per Board of Directors' meeting.

Committee chairs

- fixed annual fee of €20,000 (€40,000 for the Audit & Risk Committee);
- attendance: €2,000 per committee meeting.

Committee members

- fixed annual fee of €7,500 per member;
- attendance: €2,000 per committee meeting.

The balance of the Directors' fees may be allocated among all of the Board members according to the percentage of the aggregate award initially allocated to each member, on the basis described above. This type of allocation was not made in 2017.

Compensation and benefits in-kind received by members of the Board of Directors

TABLE ON DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS FROM BUREAU VERITAS OR A GROUP COMPANY (AMF TABLE 3)

The table below shows the Directors' fees awarded and paid to members of the Board of Directors by Bureau Veritas and by any Group company for the 2016 and 2017 financial years. With the exception of the fixed compensation paid to the Chairman of the Board of Directors since March 8, 2017, no other compensation has been received by the Directors from Bureau Veritas or any other Group company.

	Directors' fees		Other compensation (fixed, variable and special compensation and benefits in-kind)	
Member of the Board of Directors (in €)	Awarded for 2016, paid in 2017	**Awarded for 2017, paid in 2018**	Due for 2016	**Due for 2017**
Aldo Cardoso *(Chairman of the Board of Directors since March 8, 2017)*	105,909	112,750	-	180,227[d]
Frédéric Lemoine	70,607	69,250	-	-
Stéphane Bacquaert	45,742	35,250	-	-
Stéphanie Besnier	9,936	58,750	-	-
Patrick Buffet	50,304	19,072[a]	-	-
Claude Ehlinger	9,936	65,226	-	-
Nicoletta Giadrossi	50,607	23,322[a]	-	-
Ana Giros Calpe	-	31,428[b]	-	-
Ieda Gomes Yell	76,668	78,000	-	-
Siân Herbert-Jones	29,236	58,750	-	-
Pierre Hessler	85,456	90,750	-	-
Pascal Lebard	50,607	71,476	-	-
Philippe Louis-Dreyfus	13,795	-	-	-
Jean-Michel Ropert	51,196	35,250	-	-
Lucia Sinapi-Thomas	50,001	52,500	-	-
TOTAL	**700,000**	**801,774[c]**	**-**	**180,227**

(a) The terms of office of Nicoletta Giadrossi and Patrick Buffet expired at the Ordinary and Extraordinary Shareholders' Meeting of May 16, 2017.
(b) Ana Giros Calpe was appointed as Director at the Ordinary and Extraordinary Shareholders' Meeting of May 16, 2017.
(c) The annual amount of Directors' fees awarded to members of the Board of Directors was set at €1,000,000 by the Shareholders' Meeting of May 16, 2017.
(d) Acting on the recommendation of the Nomination & Compensation Committee, the Board of Directors' meeting of March 8, 2017 set the Chairman of the Board's annual fixed compensation at €220,000. Given that Aldo Cardoso took up office on that date, his annual fixed compensation for 2017 amounted to €180,227.

Compensation and benefits in-kind received by non-Executive Corporate Officers from Wendel

Pursuant to article L. 225-37-3 of the French Commercial Code, as the Company is controlled by a company whose shares are admitted for trading on a regulated market, the amount of compensation and benefits in-kind (as well as the amount of compensation, indemnities or benefits due or likely to be due in the event of the take-up, termination or change of corporate office duties of Bureau Veritas) that each Corporate Officer of the Company received during 2017 from (i) the Company, (ii) the companies it controls, and (iii) the Company or companies that control it within the meaning of article L. 233-16 of the French Commercial Code, is indicated below.

Corporate Officers of the Company holding a corporate office at Wendel

In the years ended December 31, 2016 and December 31, 2017, Frédéric Lemoine, the then-Chairman of the Management Board of Wendel, was awarded the following compensation and benefits:

	2017					2016
(in €)	Fixed compensation (excluding Directors' fees)	Variable compensation[(b)]	Directors' fees and other compensation[(a)]	Benefits in-kind	Total compensation	Total compensation
Frédéric Lemoine, Chairman of the Management Board of Wendel[(c)]	995,326	1,022,760	289,627	12,604	2,320,317	2,287,084

(a) *Including Directors' fees paid in respect of their positions as Director of Bureau Veritas, details of which are provided above, in Table 3 - Table on Directors' fees and other compensation received by non-Executive Corporate Officers from Bureau Veritas or a Group company, in section 3.2.1 of this Registration document and excluding termination benefits paid by Wendel in 2017.*

(b) *Mr. Frédéric Lemoine's fixed remuneration and targets to be achieved to qualify for the variable portion are approved each year in February for that year by the Supervisory Board of Wendel, based on and after consideration of the proposal of the Governance Committee, which makes its recommendation for the total amount of remuneration with reference to market practices for listed companies and investment companies in Europe. The amount of variable remuneration is set in accordance with the results obtained in the year just ended, measured by objective criteria. Directors' fees are included in the total compensation.*

(c) *Frédéric Lemoine's term of office as Chairman of the Management Board of Wendel expired on December 31, 2017.*

Corporate Officers of the Company holding salaried positions at Wendel

Stéphane Bacquaert, Managing Director, Stéphanie Besnier, Managing Director and Claude Ehlinger, Managing Director, held salaried positions within the Wendel Group in 2017.

They hold no other corporate office in the Bureau Veritas Group and receive no benefit or compensation of any kind other than the Directors' fees paid by the Company (see Table 3 – Table on Directors' fees and other compensation received by non-Executive Corporate Officers from Bureau Veritas or a Group company, in section 3.2.1 of this Registration document).

These Directors' fees represent a minority of the payments and benefits in-kind they receive in connection with their salaried positions within the Wendel Group.

3.2.2 Executive Corporate Officers' compensation

Compensation policy for Executive Corporate Officers

Pursuant to article L. 225-37-2, paragraph 2 of the French Commercial Code, this section presents the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total compensation and benefits in-kind that may be granted to the Executive Corporate Officers of Bureau Veritas with respect to their office.

It also presents the compensation policy for the Chief Executive Officer and the Chairman of the Board of Directors for the fiscal years ended December 31, 2017 and December 31, 2018. The components relating to 2018 will be submitted for approval to the Ordinary Shareholders' Meeting to be held in May 2018.

The payment in 2019 of the variable portion and special components of the compensation for 2018 described below are subject to the approval of the Ordinary Shareholders' Meeting on such components, pursuant to article L. 225-100 of the French Commercial Code.

Chief Executive Officer

Principles for determining the compensation of the Chief Executive Officer

The compensation paid to the Chief Executive Officer of Bureau Veritas is:

- linked to the Group's performance;
- balanced, taking into account the expectations of all stakeholders (including those of shareholders);
- demanding, given that it is aligned with best market practices;
- consistent with the principles applied by Bureau Veritas to all its executives around the world;
- set by the Board of Directors, on the basis of the recommendation of the Nomination & Compensation Committee and in accordance with the recommendations set out in the AFEP-MEDEF Code to which the Company refers;
- reviewed and discussed by the Board of Directors every year;
- determined according to the executive's level of responsibility; and
- determined by taking into account all of the components of compensation to ensure a comprehensive view of the compensation of the Chief Executive Officer.

Chief Executive Officer compensation policy

General principles

In accordance with the recommendations of the AFEP-MEDEF Code, the Nomination & Compensation Committee considered the principles described below when issuing recommendations to the Board of Directors for compensation systems that are in line with the Group's values.

Balance and clarity

The Chief Executive Officer's compensation consists of four elements, each linked to a specific objective:

- an annual fixed portion (basic salary) that acknowledges the importance and scope of the position. Each year, this portion is compared with the practices of French and international companies with comparable challenges, characteristics and environments;
- an annual variable portion, consisting of quantifiable and qualitative components. The variable portion recognizes the achievement of demanding, formal yearly objectives and is reviewed each year by the Nomination & Compensation Committee, which in turn makes a recommendation to the Board of Directors;
- a long-term incentive plan (stock subscription or purchase option and performance share grants) aligned with shareholders' best interests, the implementation of which is subject to approval of the corresponding resolutions at the Shareholders' Meeting and to the decision of the Board of Directors;
- a termination payment linked to the position of Corporate Officer. This payment is restricted in time and is subject to performance conditions.

A balance must be achieved between each element of remuneration, with an emphasis on the shareholding component (stock option and performance share grants).

The Chief Executive Officer is also entitled to a company car and is eligible for the same benefit plans as the Group's other executive officers and employees.

Proportionality and consistency

The policy, mechanisms and levels of compensation awarded to the Chief Executive Officer are set consistently with those applicable to the Group's other executive officers and managers.

Each year, the Nomination & Compensation Committee reviews and assesses the appropriateness of the compensation packages and particularly the criteria relating to the award of variable compensation for the coming year.

To do so, it considers:

- the Group's long-term objectives;
- the creation of shareholder value;
- the market benchmarking conducted each year with the assistance of an external consultant based on French and international companies;
- the recommendations of the applicable Corporate Governance Code (AFEP-MEDEF Code).

Simplicity and understandability

The rules governing the Chief Executive Officer's compensation are simple by choice.

Each year, the Nomination & Compensation Committee recommends quantifiable and qualitative performance criteria and specific levels of objectives to the Board of Directors. The criteria and levels selected are consistent with those of the Group's strategic plan.

Chief Executive Officer compensation policy for 2017

Annual fixed portion

The Chief Executive Officer's basic salary was determined in relation to the scope of the position and the practices of French and international groups with revenue, market capitalization and challenges similar to those of Bureau Veritas.

Variable portion

The annual variable portion of the Chief Executive Officer's compensation represents 100% of the fixed portion if all the quantifiable and qualitative objectives are met in full.

As of January 1, 2017, quantifiable objectives represented 60% of the variable portion and qualitative objectives the remaining 40%.

Quantifiable criteria

The quantifiable criteria chosen for 2017 by the Board of Directors at its meeting of February 21, 2017, on the recommendation of the Nomination & Compensation Committee, were organic growth for 25%, Adjusted Operating Profit (AOP) for 25% and net cash flow generated from operating activities for 10%.

The criteria were adjusted from those used in 2016 to introduce a growth objective. As a result, the weighting of the Group's AOP was reduced from 50% in 2016 to 25% in 2017. The weighting of net cash flow generated from operating activities, on the other hand, remained the same at 10%. With this adjustment, the Board of Directors' aim was to make quantifiable criteria more demanding by introducing an objective relating to the Group's growth.

For the objective relating to the Group's organic growth, the level of achievement is assessed as follows:

- if actual organic growth is less than or equal to the minimum target level, the bonus paid for this objective is 0%;
- if actual organic growth is between the minimum target level and the target level, the bonus paid for this objective is calculated on a proportional basis;
- if actual organic growth is equal to the target level, the bonus paid for this objective is 100%;
- if actual organic growth is between the target level and 150% of the target level, the bonus paid for this objective is calculated on a proportional basis;
- if actual organic growth is more than 150% of the target level, the bonus paid for this objective is 150%.

The extent to which the Group's AOP target has been met, at the budgeted rate and excluding non-budgeted acquisitions, is assessed as follows:

- if AOP is less than or equal to 90% of budgeted AOP, the bonus paid for this objective is 0%;
- if AOP is between 90% and 100% of budgeted AOP, the bonus paid for this objective is calculated on a proportional basis;
- if AOP is equal to budgeted AOP, the bonus paid for this objective is 100%;
- if AOP is greater than budgeted AOP, a coefficient is then applied based on the following example: if achieved AOP represents 101% of budgeted AOP = application of a 105% coefficient.

The extent to which the objective for net cash flow generated from operating activities has been met is assessed in the same way as AOP.

The achievement levels required on quantifiable criteria for the purpose of determining the variable portion of the Chief Executive Officer's compensation have been defined in detail but are not disclosed for confidentiality reasons.

If the objectives for the quantifiable portion are exceeded, the variable portion is capped at 150% of the target variable portion (i.e., 150% of the fixed portion).

Qualitative criteria

The qualitative criteria relate to the implementation of the 2020 strategic plan and include the monitoring of:

- the Group's Growth Initiatives;
- strategic countries;
- performance drivers.

The qualitative portion is assessed between 0% and 100%, depending on the extent to which these individual objectives have been met, and cannot exceed 100%.

Long-term incentive plan

Bureau Veritas' long-term incentive policy is determined by the Board of Directors, on the basis of the recommendation of the Nomination & Compensation Committee in the context of resolutions adopted by the Ordinary and Extraordinary Shareholders' Meeting. This policy concerns the consideration offered if ambitious growth objectives are met. It is directly aligned with shareholders' best interests and the achievement of objectives in line with Bureau Veritas' strategic plan.

This policy is designed to attract, retain and motivate high-performing employees who play an important role in the Group's long-term performance within Bureau Veritas and throughout the world. It is made up of a long-term incentive plan which is granted annually at the same calendar times, and composed of a grant of stock subscription or purchase options and/or performance stock.

To align the best interests of all Group executive officers with Company strategy, and in compliance with the recommendations of the AFEP-MEDEF Code, these grants are conditional on meeting the short- and medium-term objectives derived from the strategic plan and relating to the creation of shareholder value in the medium term (three to five years). Currently, the performance conditions for stock subscription or purchase options and performance shares are the extent to which the group's Adjusted Operating Profit (AOP) target has been met for the year of the grant and the group's adjusted operating margin (AOP/revenue ratio) target for the next two financial years. Depending on the extent to which these objectives are attained, the Chief Executive Officer may exercise/vest between 0% and 100% of the options/shares granted.

The lock-up period is three years for stock subscription and purchase options and the vesting period is three years followed by a mandatory holding period of two years for performance shares. Since 2016, performance share plans have a three-year vesting period and no holding period.

No discount is applied when such shares are granted.

In addition to the prohibition referred to in the stock subscription or purchase option and performance share plans, the Chief Executive Officer has formally agreed not to use hedging instruments on options, on the shares resulting from the exercise of options or on performance shares throughout his term of office. He is also required to observe the restrictions regarding closed and black-out periods.

Pursuant to articles L. 225-185 and L. 225-197-1 of the French Commercial Code and with the recommendations of the AFEP-MEDEF Code, the Board of Directors has decided, on the recommendation of the Nomination & Compensation Committee, that for the performance shares and stock purchase options granted on June 21, 2017, the Chief Executive Officer is required to retain in registered form at least 5% of the shares resulting from the exercise of these options and at least 20% of the performance shares vested until the expiration of his corporate office within the Group.

Deferred commitments

In accordance with the recommendations of the AFEP-MEDEF Code, the Chief Executive Officer does not have an employment contract and his compensation is linked entirely to his corporate office.

The deferred commitment package awarded to the Chief Executive Officer is limited to a termination benefit relating to his corporate office, which is paid if he is forced to leave the Company, except in the case of proven misconduct.

The termination benefit is equal to no more than the total fixed and variable compensation received in the 12 months preceding the termination of his term of office, plus the amount of his latest variable compensation (the "**Target Amount**"). Pursuant to article L. 225-42-1 of the French Commercial Code, payment is contingent on a performance condition linked to the level of margin achieved by the Company (the "**Margin**") for each of the two financial years preceding the termination of his term of office. The margin is calculated as the ratio of AOP to revenue, before tax.

In respect of each of the two financial years concerned by the performance condition, the Chief Executive Officer is entitled to a benefit that could reach a maximum of half the Target Amount, calculated as follows:

- if the Margin for the financial year is equal to or below 15%, no benefit is paid in respect of that year;
- if the Margin for the financial year is between 15% and 16%, the benefit in respect of that year will be equal to a percentage (between 0% and 100%, calculated by linear interpolation) applied to half of the Target Amount;
- if the Margin for the financial year is equal to or above 16%, a benefit equal to half the Target Amount is paid in respect of that year.

The total awarded benefit is equal to the sum of the benefits calculated for each of the two financial years preceding the year of the Chief Executive Officer's departure.

The Board of Directors determines whether the performance condition has been met at the time of termination, prior to any payment.

No benefit is paid if the Chief Executive Officer leaves of his own accord. Similarly, the benefit is not payable in case of retirement or if the termination is as a result of proven misconduct.

The termination benefit commitment granted to Didier Michaud-Daniel was authorized by the Board of Directors at its meeting of March 8, 2017 and approved by the Shareholders' Meeting of May 16, 2017 when his term of office was renewed. This commitment replaces the previous one authorized by the Board of Directors at its meeting of February 22, 2012 and approved by the Shareholders' Meeting of May 31, 2012.

The Chief Executive Officer is not entitled to supplementary (defined benefit or defined contribution) pension benefits or a non-competition indemnity.

Benefits in-kind

The Chief Executive Officer is entitled to a company car and is eligible for the same benefit plans as the Group's other executive officers and employees.

Chief Executive Officer compensation policy for 2018

At its meeting of February 28, 2018, and on the recommendation of the Nomination & Compensation Committee, the Board of Directors set the compensation policy applicable to the Chief Executive Officer for 2018.

It is based on the general principles, presented above, for determining the compensation of Executive Corporate Officers and the Chief Executive Officer.

Annual fixed portion

On the recommendation of the Nomination & Compensation Committee, the amount of the Chief Executive Officer's fixed annual compensation (€900,000) has been confirmed by the Board of Directors for 2018.

Variable portion

The target amount of annual variable compensation for 2018 and the percentage of the maximum compensation remain unchanged. The quantifiable criteria for 2018 comprise objectives of organic growth, adjusted operating profit (**"AOP"**) and net financial debt / EBITDA adjusted ratio. The targets have been defined in detail but are not disclosed for confidentiality reasons.

	Criteria	Type	Weighting
Quantitative criteria	Group organic growth	Quantitative	
	Group AOP	Quantitative	60%
	Net financial debt / EBITDA adjusted ratio	Quantitative	
Qualitative criteria	Digitalization	Qualitative	
	Talent development	Qualitative	40%
	Follow up of the Strategic Plan	Qualitative	
TOTAL			**100%**

In accordance with article L. 225-100, paragraph 6 of the French Commercial Code, the payment of the Chief Executive Officer's variable portion with respect to 2018 is contingent on the shareholders' approval of his compensation components at the Ordinary Shareholders' Meeting to be held in 2019.

Long-term incentive plan

The Chief Executive Officer may be granted stock subscription or purchase options and/or performance shares each year under plans decided by the Board of Directors in favor of certain executives of the group. Stock subscription or purchase options and/or performance shares granted to him in this regard are subject to the same terms and conditions as those granted to the other beneficiaries of the plans.

In 2018, as in previous years, on the recommendation of the Nomination & Compensation Committee, the Board of Directors will consider implementing a stock subscription or purchase option and/or performance share plan, of which the Chief Executive Officer would be one of the beneficiaries.

The Chief Executive Officer's compensation for 2018 in the form of performance shares and stock subscription or purchase options is estimated at between 105% and 115% of his total gross annual compensation.

In 2018, in the proposed resolutions authorizing the Board of Directors to grant performance shares or stock subscription or purchase options to employees and/or Executive Corporate Officers of the Group, the Shareholders' Meeting will be asked to approve a maximum percentage that can be granted to Executive Corporate Officers in the form of a grant sub-ceiling.

In the event of a change in control of the Company, the allocation terms and conditions provided for in the plan regulations would remain unchanged. In addition, the plan regulations do not provide for accelerated vesting of performance shares or early exercise of stock options in the event of a change in control.

Deferred commitments

In 2018, Didier Michaud-Daniel continues to be entitled to the termination benefit described above. This commitment is not likely to be modified until the next renewal of the Chief Executive Officer's term of office.

Benefits in-kind

In 2018, the Chief Executive Officer continues to be entitled to the same benefits in-kind (company car and benefit plan) as in 2017.

Chairman of the Board of Directors

Chairman of the Board of Directors compensation policy for 2017

Until March 8, 2017, the Chairman of the Board of Directors' compensation was made up exclusively of Directors' fees.

Since March 8, 2017, the compensation of the Chairman of the Board of Directors comprises:

- a fixed portion determined by the Board of Directors, following a recommendation by the Nomination & Compensation Committee, in line with the principles described above and in particular with the responsibilities allocated to the Chairman, his experience and market practices;
- Directors' fees, allocated in line with the rules for allocation decided by the Board of Directors and presented in section 3.2.1 – Compensation policy for members of the Board of Directors of this Registration document.

In compliance with the recommendations set out in the AFEP-MEDEF Code for companies where the roles of Chairman of the Board of Directors and Chief Executive Officer are separate, the Chairman is not entitled to any variable or special compensation or any long-term incentive (i.e., stock option or performance share) plans.

The Chairman of the Board is not eligible for any benefits-in-kind, pension scheme, termination benefit or non-competition indemnity.

Chairman of the Board of Directors compensation policy for 2018

The Chairman of the Board of Directors' compensation for 2018 is the same as in 2017 (annual fixed portion of €220,000 and Directors' fees).

Compensation of Executive Corporate Officers for 2017

This section presents the components of compensation due or paid to each Executive Corporate Officer by the Board of Directors, on the recommendation of the Nomination & Compensation Committee, for the year ended December 31, 2017.

Summary of Executive Corporate Officers compensation for 2017

TABLE SUMMARIZING THE COMPENSATION, OPTIONS AND SHARES AWARDED TO EACH CORPORATE OFFICER (AMF TABLE 1)

	Didier Michaud-Daniel, Chief Executive Officer	
(in €)	**2017**	**2016**
Compensation due in respect of the financial year *(shown in table n° 2)*	1,872,300	1,478,175
Valuation of the multi-annual variable compensation paid during the year	-	-
Valuation of stock options granted during the year *(shown in table n° 4)*	407,419[a]	563,200[a]
Valuation of the performance shares granted during the year *(shown in table n° 6)*	1,515,342[a]	1,411,800[a]
TOTAL	**3,795,061[b]**	**3,453,175**

(a) The amounts in the above table reflect the accounting fair value of options and shares in accordance with IFRS standards.

(b) In 2017, the Chief Executive Officer's compensation in the form of performance shares and stock options was capped at 107% of his total gross annual compensation.

	Frédéric Lemoine, Chairman of the Board of Directors (until March 8, 2017)	
(in €)	**2017**	**2016**
Compensation due in respect of the financial year (shown in table n° 2)[a]	69,250	70,607
Valuation of the multi-annual variable compensation awarded during the year	-	-
Valuation of the options granted during the year	-	-
Valuation of the performance shares granted during the year	-	-
TOTAL	**69,250**	**70,607**

(a) Frédéric Lemoine's compensation, for his role as Chairman of the Board of Directors, was made up exclusively of Directors' fees (see Table 3 - Table on Directors' fees and other compensation received by non-Executive Corporate Officers from Bureau Veritas or a Group company, in section 3.2.1, page 143, of this Registration document. The compensation and benefits in-kind received for 2016 and 2017 by Frédéric Lemoine from Wendel for his role as Chairman of its Management Board are presented in the table in section 3.2.1 – Compensation and benefits in-kind received by non-Executive Corporate Officers from Wendel, page 144, of this Registration document.

	Aldo Cardoso, Chairman of the Board of Directors (since March 8, 2017)	
(in €)	**2017**	**2016**
Compensation due in respect of the financial year *(shown in table n° 2)*	292,977	105,909[a]
Valuation of the multi-annual variable compensation awarded during the year	-	-
Valuation of the options granted during the year	-	-
Valuation of the performance shares granted during the year	-	-
TOTAL	**292,977**	**105,909**

(a) The compensation paid to Aldo Cardoso for 2016 corresponds to the Directors' fees awarded to him for his role as a Director of the Company (see Table 3 - Table on Directors' fees and other compensation received by non-Executive Corporate Officers from Bureau Veritas or a Group company, in section 3.2.1, page 143, of this Registration document.

TABLE SUMMARIZING THE CONTRACTS, PENSION SCHEMES, BENEFITS AND INDEMNITIES APPLICABLE TO EXECUTIVE CORPORATE OFFICERS (AMF TABLE 11)

	Employment contract		Supplementary pension scheme		Benefits or advantages due or likely to be due as a result of termination or change of corporate office		Non-competition indemnity	
Executive Corporate Officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Didier Michaud-Daniel Chief Executive Officer *Start of first* term: March 1, 2012 End of current term: February 28, 2022		√		√	√			√
Frédéric Lemoine Chairman of the Board of Directors until March 8, 2017 Start of first term: *April 14, 2009*		√		√		√		√
Aldo Cardoso Chairman of the Board of Directors since March 8, 2017 End of current term: Ordinary Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2017		√		√		√		√

In 2017, Didier Michaud-Daniel was entitled, as a Corporate Officer, to a termination benefit that was subject to a performance condition and could not exceed a maximum amount equal to the fixed compensation received by him in the 12 months preceding the termination of his term of office, plus the most recent variable compensation payment. The performance conditions, entitlement criteria and payment methods are described in section 3.2.2 – Chief Executive Officer compensation policy for 2017 – Deferred commitments, page 145, of this Registration document.

Components of Chief Executive Officer's compensation for 2017

Compensation and benefits awarded during 2017

TABLE SUMMARIZING THE COMPENSATION PAID TO THE CHIEF EXECUTIVE OFFICER (AMF TABLE 2)

(in €)	Didier Michaud-Daniel Chief Executive Officer			
	2017		2016	
	due	paid	due	paid
Fixed compensation	900,000	900,000	900,000	900,000
Annual variable compensation	954,300[(a)]	560,175	560,175	825,000
Multi-annual variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in-kind	18,000[(b)]	18,000	18,000	18,000
TOTAL	**1,872,300**	**1,478,715**	**1,478,175**	**1,743,000**

(a) *Variable compensation due in respect of 2017 was set by the Board of Directors on February 28, 2018, on the recommendation of the Nomination & Compensation Committee.*
(b) *Company car and the same benefit plans as the Group's other executives and employees.*

Annual fixed compensation

The fixed compensation due to Didier Michaud-Daniel for 2017 amounts to €900,000 and is unchanged since 2015.

Variable compensation

On the recommendation of the Nomination & Compensation Committee, the Board of Directors decided at its meeting of February 23, 2017 to set Didier Michaud-Daniel's target variable compensation for 2017 at 100% of his fixed compensation, capped at 150% of the target variable portion (i.e. 150% of the fixed portion).

At its meeting of February 28, 2018, the Board of Directors determined, on the recommendation of the Nomination & Compensation Committee, the level of achievement to be taken into account for the calculation of Didier Michaud-Daniel's annual variable compensation.

It therefore set Didier Michaud-Daniel's annual variable compensation for 2017 at 106% of the target compensation, or €954,300, based on the following:

	Criteria	Type	Assessment	Achievement rate
Quantitative criteria (60%)	Group organic growth	Quantitative	Significantly above target	72%
	Group AOP	Quantitative	Target met	
	Net cash generated from the Group's operating activities	Quantitative	Slightly below target	
Qualitative criteria (40%)	Growth Initiatives	Qualitative	Slightly below target	34%
	Strategic countries	Qualitative		
	Performance drivers	Qualitative		
TOTAL				**106%**

The level of achievement required for quantitative criteria and the details of qualitative criteria have been specifically defined by the Board of Directors but cannot be disclosed for confidentiality reasons.

Long-term incentive plan

As part of its compensation policy, Bureau Veritas grants stock purchase and subscription options and performance shares to a certain number of employees in the Group around the world. On the recommendation of the Nomination & Compensation Committee, the Board of Directors' Meeting of June 21, 2017 decided to grant stock purchase options and performance shares to Group employees.

The grant concerned 582 Group employees, corresponding to a total of 2,436,880 shares (1,207,820 performance shares and 1,229,060 stock purchase options), equivalent to approximately 0.55% of the Company's share capital. This grant represented 37% of the total number of performance shares and stock options that the Board of Directors were authorized to grant by the Annual Shareholders' Meeting of May 17, 2016, under the 14th and 15th resolutions.

Awards of stock options and performance shares are subject to:

- a condition of presence: the departure of the beneficiary leads to the cancellation of his rights;
- two performance conditions: the Group's AOP for 2017 and the Group's adjusted operating margin (ratio of AOP to revenue) for 2018 and 2019. The condition based on the Group's adjusted operating margin for 2018 and 2019 applies to the number of options determined according to the level of achievement of the AOP condition for 2017;
  - With regard to the Group's AOP for 2017:
    - if the AOP is less than or equal to the minimum target level set by the Board of Directors, none of the options granted may be exercised by the beneficiary and none of the performance shares granted to the beneficiary may vest,
    - if the AOP is between the minimum target level and the target level, the number of options that may be exercised or shares that may vest will be determined by linear interpolation,
    - if the AOP is equal to or greater than the target level, 100% of the options granted may be exercised and 100% of the shares granted may vest;
  - With regard to the Group's adjusted operating margin for 2018 and 2019:
    - if the adjusted operating margin for one of the years is less than or equal to the minimum target level set by the Board of Directors, none of the options granted may be exercised by the beneficiary and none of the performance shares granted to the beneficiary may vest,
    - if the adjusted operating margin is between the minimum target level and the target level, the number of options that may be exercised or shares that may vest will be determined by linear interpolation,
    - if the adjusted operating margin is equal to or greater than the target level, the percentage of options or shares determined by the level of achievement of the AOP may be exercised or may vest, provided that the condition of presence has been met.

Details of the maximum number of stock purchase options and performance shares granted to the Chief Executive Officer for 2017 are provided in the tables below.

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING 2017 TO THE CHIEF EXECUTIVE OFFICER BY BUREAU VERITAS AND BY ANY COMPANY OF THE GROUP (AMF TABLE 4)

Name of Corporate Officer	No. and date of the plan	Nature of the options (purchase or subscription)	Valuation of the options according to the method used in the consolidated financial statements	Number of options granted during the financial year	Exercise price	Exercise period	Performance conditions
Didier Michaud-Daniel	06/21/2017	Stock purchase options	€407,419	240,000	€20.65[(a)]	06/21/2020 to 06/21/2027[(b)]	[(c)]

(a) The exercise price was set at €20.65, corresponding to the average undiscounted opening price during the 20 trading days preceding the date of the grant.

(b) Condition of presence: a three-year vesting period has been set during which the beneficiary must remain a Corporate Officer.Requirement to hold shares in registered form: 5% of the shares resulting from the exercise of stock purchase options must be held in registered form until the expiration of the corporate office within the Group.

(c) Performance conditions: depending on the level of achievement of the Group's AOP objective for 2017 and on the Group's adjusted operating margin objective (ratio of Group AOP to Group revenue) for 2018 and 2019, between 0% and 100% of the stock purchase options granted to the beneficiary may vest. Details of these performance conditions are presented above.

The amounts indicated correspond to the accounting fair value of options in accordance with IFRS standards. As a result, they are not the actual amounts that could arise if these options were exercised.

The dilutive effect of the stock purchase options granted during 2017 is limited, representing 0.05% of the share capital of Bureau Veritas.

STOCK SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING 2017 BY THE CHIEF EXECUTIVE OFFICER (AMF TABLE 5)

The Corporate Officer did not exercise any options during 2017.

Name of Corporate Officer	No. and date of the plan	Number of options exercised during the year	Exercise price
Didier Michaud-Daniel	-	-	-

PERFORMANCE SHARES GRANTED DURING 2017 TO THE CHIEF EXECUTIVE OFFICER BY BUREAU VERITAS AND BY ANY COMPANY OF THE GROUP (AMF TABLE 6)

Name of Corporate Officer	No. and date of the plan	Number of shares awarded during the year	Valuation of the shares according to the method used in the consolidated financial statements	Vesting date	Availability date	Performance conditions
Didier Michaud-Daniel	06/21/2017	80,000	€1,515,342	06/21/2020	06/21/2020[(a)]	[(b)]

(a) Condition of presence: a three-year vesting period has been set during which the beneficiary must remain as Corporate Officer. Requirement to hold shares in registered form: 20% of the vested performance shares must be held in registered form until the expiration of the corporate office within the Group.

(b) Performance conditions: depending on the level of achievement of the Group's AOP objective for 2017 and on the Group's adjusted operating margin objective (ratio of Group AOP to Group revenue) for 2018 and 2019, between 0% and 100% of the performance shares granted to the beneficiary may vest. Details of these performance conditions are presented above.

The dilutive effect of the performance shares granted during 2017 is limited, representing 0.02% of the share capital of Bureau Veritas.

PERFORMANCE SHARES THAT BECAME AVAILABLE TO THE CHIEF EXECUTIVE OFFICER DURING 2017 (AMF TABLE 7)

A total of 51,920 performance shares became available to the Executive Corporate Officer during 2017.

Name of Corporate Officer	No. and date of the plan	Number of shares that became available during the year	Vesting conditions
Didier Michaud-Daniel	July 16, 2014	51,920	Group AOP for 2014 and Group adjusted operating margin for 2015 and 2016

PAST GRANTS OF STOCK SUBSCRIPTION OR PURCHASE OPTIONS – INCLUDING SPECIFICALLY TO THE CHIEF EXECUTIVE OFFICER (AMF TABLE 8)

Information on stock subscription or purchase options[(b)]				
Date of the Shareholders' Meeting	05/22/2013	05/20/2015	05/17/2016	05/16/2017
Date of the Board of Directors' Meeting	07/16/2014	07/15/2015	06/21/2016	06/21/2017
Total number of shares to be subscribed or purchased	1,261,200	1,344,000	1,312,400	1,229,060
Of which total number of shares to be subscribed or purchased by Didier Michaud-Daniel	240,000	240,000	240,000	240,000
Starting date for the exercise of options	07/16/2017	07/15/2018	06/21/2019	06/21/2020
Performance conditions	(c)	(c)	(c)	(c)
Expiration date	07/16/2022	07/16/2025	06/21/2026	06/21/2027
Subscription or purchase price	€20.28[(a)]	€20.51[(a)]	€19.35[(a)]	€20.65[(a)]
Number of shares subscribed or purchased as of December 31, 2017	36,705	0	0	0
Total number of stock subscription or purchase options canceled or lapsed as of December 31, 2017	500,762	104,614	912,176	0
Stock subscription or purchase options remaining as of December 31, 2017	**723,733**	**1,239,386**	**400,224**	**1,229,060**

(a) The stock subscription or purchase option price corresponds to the average undiscounted opening price during the last 20 trading days preceding the date of the grant.

(b) The number of options and the stock subscription or purchase option prices were revised following the June 2013 capital increase and share split.

(c) At the end of the vesting period, the number of stock subscription or purchase options that can be delivered to each beneficiary depends on the level of achievement of the Group AOP for the financial year in which the grant is made and the level of Group's adjusted operating margin (ratio of AOP to revenue) recorded for the subsequent two financial years.

PAST GRANTS OF PERFORMANCE SHARES – INCLUDING SPECIFICALLY TO THE CHIEF EXECUTIVE OFFICER (AMF TABLE 10)

Information on performance share grants					
Date of the Shareholders' Meeting	05/22/2013	05/22/2013	05/20/2015	05/17/2016	05/16/2017
Date of the Board of Directors' Meeting	07/22/2013	07/16/2014	07/15/2015	06/21/2016	06/21/2017
Total number of shares granted	800,000	1,291,600	1,136,200	1,131,650	1,207,820
Of which total number of shares granted to Didier Michaud-Daniel	800,000	80,000	80,000	80,000	80,000
Vesting date	06/21/2021 or 06/22/2022	07/22/2017 or 07/22/2018	07/16/2018 or 07/15/2019	06/21/2019	06/21/2020
Performance conditions	(a)	(b)	(b)	(b)	(b)
End of holding period	07/21/2021 or 07/21/2022	07/16/2019	07/15/2020	-	-
Number of vested shares as of December 31, 2017	0	337,658	1,972	0	0
Total number of shares canceled or lapsed as of December 31, 2017	80,000	517,834	143,184	634,598	16,400
Remaining performance shares awarded as of December 31, 2017	**720,000**	**436,108**	**991,044**	**497,052**	**1,191,420**

(a) The number of shares issued to each beneficiary at the end of the vesting period depends on the level of total shareholder return (TSR) achieved and measured over three performance periods, corresponding to three tranches. For the first and second tranches, if the TSR as determined at the end of the first year of the applicable performance period for each tranche is at least of 15%, the beneficiary may vest all of the shares in the tranche at the end of the vesting period. If the TSR as determined at the end of the first year of the applicable performance period is between 10% and 15%, the number of shares that may be vested will be determined by linear interpolation. If the TSR is below 10%, no shares in the tranche will be vested in respect of this first year and the applicable performance period will be extended by an additional year. There will be a second calculation at the end of the second year of the applicable performance period to enable the beneficiary to vest all or part of 50% of the shares in the tranche. The performance condition for the third tranche, which represents 90% of the total award, is based on the TSR determined by comparing (i) a Company share price of €19, with (ii) the average opening price of the Company's share on Euronext Paris during the 60 trading days preceding and the 30 trading days following the publication of 2020 earnings, with the possibility of extending this period by one year. If the TSR as determined at the end of the performance period is at least of 15%, the beneficiary may vest all of the shares in the tranche at the end of the vesting period. If the TSR is between 10% and 15%, the number of shares that may vest will be determined by linear interpolation. If the TSR is equal to 10%, the beneficiary may vest 50% of the shares in the tranche at the end of the vesting period. If the TSR is between 7% and 10%, the number of shares that may vest will be determined by linear interpolation. If the TSR is equal to 7%, the beneficiary may vest 20% of the shares in the tranche at the end of the vesting period. If the TSR is below 7%, no shares in the tranche will vest. A nine-year vesting period has been set during which the beneficiary must remain as Corporate Officer, followed by a mandatory two-year holding period.

(b) At the end of the vesting period, the number of performance shares that vest for each beneficiary depends on the level of group AOP achieved for the financial year in which the grant is made and the level of Group adjusted operating margin (ratio of AOP to revenue) recorded for the subsequent two financial years.

Components of the Chairman of the Board of Directors' compensation for 2017

Components of compensation for 2017 of Frédéric Lemoine, Chairman of the Board of Directors until March 8, 2017

TABLE SUMMARIZING THE COMPENSATION PAID TO FRÉDÉRIC LEMOINE (AMF TABLE 2)

	Frédéric Lemoine Chairman of the Board of Directors (until March 8, 2017)			
(in €)	2017		2016	
	due	paid	due	paid
Fixed compensation	-	-	-	-
Annual variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Directors' fees	69,250	69,250	70,607	70,607
Benefits in-kind	-	-	-	-
TOTAL[(a)]	**69,250**	**69,250**	**70,607**	**70,607**

(a) The compensation and benefits in-kind received for 2016 and 2017 by Frédéric Lemoine from Wendel for his role as Chairman of its Management Board are presented in the table in section 3.2.1 – Compensation and benefits in-kind received by non-Executive Corporate Officers from Wendel, page 144, of this Registration document.

Frédéric Lemoine, Chairman of the Board of Directors until March 8, 2017, decided to waive all compensation for his position as Chairman besides Directors' fees.

The Directors' fees awarded to Frédéric Lemoine for 2017 and paid in 2018 amounted to €69,250 (see Table 3 – Table on Directors' fees and other compensation received by non-Executive Corporate Officers from Bureau Veritas or a Group company, in section 3.2.1, page 143, of this Registration document).

Components of compensation for 2017 of Aldo Cardoso, Chairman of the Board of Directors since March 8, 2017

Compensation and benefits awarded during 2017

TABLE SUMMARIZING THE COMPENSATION PAID TO ALDO CARDOSO (AMF TABLE 2)

	Aldo Cardoso Chairman of the Board of Directors (since March 8, 2017)			
(In €)	2017		2016	
	due	**paid**	**due**	**paid**
Fixed compensation	180,227	180,227	-	-
Annual variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Directors' fees	112,750	112,750	105,909	105,909
Benefits in-kind	-	-	-	-
TOTAL	**292,977**	**292,977**	**105,909**	**105,909**

Annual fixed compensation

Acting on the recommendation of the Nomination & Compensation Committee, the Board of Directors' Meeting of March 8, 2017 set the Chairman of the Board's annual fixed compensation at €220,000. Given that Aldo Cardoso took up office on that date, his annual fixed compensation for 2017 amounted to €180,227.

Variable compensation

Aldo Cardoso does not receive any variable compensation for his role as Chairman of the Board of Directors.

Directors' fees

Aldo Cardoso received €112,750 in Directors' fees for 2017. This amount was calculated in accordance with the rules for allocating Directors' fees set by the Board of Directors (see section 3.2.1 – Compensation policy for members of the Board of Directors, page 142, of this Registration document).

Long-term incentive plan

The Chairman of the Board of Directors does not benefit from any long-term incentive (i.e. stock option or performance share) plans.

Tables summarizing the components of Executive Corporate Officers' compensation for 2017 to be submitted to an ex post vote at the Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2017

TABLE SUMMARIZING THE COMPONENTS OF COMPENSATION OF DIDIER MICHAUD-DANIEL, CHIEF EXECUTIVE OFFICER

	Amounts or accounting valuation submitted to a vote	Details
Fixed compensation	€900,000	On the recommendation of the Nomination & Compensation Committee, the Board of Directors' Meeting of February 21, 2017 set the gross annual fixed compensation and the target variable compensation of the Chief Executive Officer at €900,000. Annual fixed compensation has been remaining unchanged since 2015.
Target variable compensation	€900,000	
Annual variable compensation	€954,300	At its meeting of February 28, 2018, the Board of Directors, on the recommendation of the Nomination & Compensation Committee, noted that the achievement rates for quantifiable and qualitative criteria were respectively 72% and 34% of the annual fixed compensation due to Didier Michaud-Daniel for 2017 and, as a result, set the Chief Executive Officer's variable compensation for 2017 at 106% of his annual fixed compensation for the same year, or €954,300. The level of achievement of the quantifiable and qualitative criteria was assessed by the Board of Directors, on the recommendation of the Nomination & Compensation Committee, in accordance with the terms and conditions described in the table in section 3.2.2, page 152, of this Registration document. Payment of the Chief Executive Officer's variable compensation for 2017 is subject to the approval of the Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2017 (ex post vote).
Deferred variable compensation	N/A	No deferred variable compensation.
Multi annual variable compensation	N/A	No multi-annual variable compensation.
Extraordinary compensation	N/A	No extraordinary compensation.
Stock purchase options, performance shares and any other long-term compensation	€1,922,761 (accounting amount)	On the recommendation of the Nomination & Compensation Committee, the Board of Directors' Meeting of June 21, 2017 decided to grant 240,000 stock purchase options and 80,000 performance shares to the Chief Executive Officer as part of its policy to make annual grants to senior management (in application of the 14th and 15th resolutions adopted at the Shareholders' Meeting of May 17, 2016.) The grants are subject to two performance conditions: (i) the Group's AOP for 2017 and (ii) the Group's adjusted operating margin (ratio of group AOP to Group revenue) for 2018 and 2019. The condition based on the Group's adjusted operating margin for 2018 and 2019 applies to the number of options and performance shares determined according to the level of achievement of the AOP condition for 2017. Details of the performance criteria, vesting conditions and holding requirements are presented in section 3.2.2, page 154, of this Registration document. Limited dilutive effect of the stock purchase options and performance shares granted to Didier Michaud-Daniel: respectively 0.05% and 0.02% of the share capital of Bureau Veritas. During 2017, 51,920 performance shares granted under previous plans became available to Didier Michaud-Daniel.
Directors' fees	N/A	Didier Michaud-Daniel does not receive Directors' fees.

	Amounts or accounting valuation submitted to a vote	Details
Benefits in-kind	€18,000	A company car is made available to Didier Michaud-Daniel and he is entitled to the same benefit plans as the Group's other executive officers and employees.
Termination payments	No payment	As part of the commitment authorized by the Board of Directors' Meeting of March 8, 2017 and approved by the Ordinary Shareholders' Meeting of May 16, 2017 (5th resolution), Didier Michaud-Daniel is entitled to a termination benefit for an amount not exceeding the fixed compensation received by him in the 12 calendar months preceding his termination date plus the most recent variable compensation paid. The performance conditions, entitlement criteria and payment methods are described above, in section 3.2.2, page 147, of this Registration document.
Non-competition indemnity	N/A	Didier Michaud-Daniel is not entitled to a non-competition indemnity.
Supplementary pension scheme	N/A	Didier Michaud-Daniel is not entitled to a supplementary pension scheme.

TABLE SUMMARIZING THE COMPONENTS OF COMPENSATION OF FRÉDÉRIC LEMOINE, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL MARCH 8, 2017

	Amounts submitted to a vote	Details
Directors' fees	69,250	Frédéric Lemoine received €69,250 in Directors' fees for 2017. This amount was calculated in accordance with the rules for allocating Directors' fees set by the Board of Directors.

TABLE SUMMARIZING THE COMPONENTS OF COMPENSATION OF ALDO CARDOSO, CHAIRMAN OF THE BOARD OF DIRECTORS SINCE MARCH 8, 2017

	Amounts submitted to a vote	Details
Fixed compensation	180,227	Acting on the recommendation of the Nomination & Compensation Committee, the Board of Directors' Meeting of March 8, 2017 set the Chairman of the Board's annual fixed compensation at €220,000. Given that Aldo Cardoso took up office on that date, his annual fixed compensation for 2017 amounted to €180,227.
Directors' fees	112,750	Aldo Cardoso received €112,750 in Directors' fees for 2017. This amount was calculated in accordance with the rules for allocating Directors' fees set by the Board of Directors.

3.3 Interests of Executive Corporate Officers, Directors and certain employees

3.3.1 Interests of Executive Corporate Officers and Directors in the Company's capital

As of the publication date of this Registration document, the interests of Executive Corporate Officers and Directors in the capital of Bureau Veritas were as follows:

Executive Corporate Officer	Number of shares	Percentage of capital
Didier Michaud-Daniel	301,120	nm

Didier Michaud-Daniel, Chief Executive Officer, also holds 1,146,720 stock purchase options granted under the July 18, 2012, July 22, 2013, July 16, 2014, July 15, 2015, June 21, 2016 and June 21, 2017 plans.

A detailed description of stock subscription and purchase option plans is provided in section 3.3.4 – Stock subscription and purchase options, of this Registration document.

Directors	Number of shares	Percentage of capital
Aldo Cardoso	12,000	nm
André François-Poncet	1,200	nm
Stéphane Bacquaert	1,200	nm
Stéphanie Besnier	1,200	nm
Claude Ehlinger	1,200	nm
Ana Giros Calpe	1,200	nm
Ieda Gomes Yell Yell	1,200	nm
Siân Herbert-Jones	1,200	nm
Pierre Hessler	1,200	nm
Pascal Lebard	1,200	nm
Jean-Michel Ropert	3,000	nm
Lucia Sinapi-Thomas-Thomas	2,000	nm

3.3.2 Transactions executed by the management on Company shares

To the best of the Company's knowledge, and according to the declarations made to the AMF, transactions executed on Company shares during the year by the management and persons mentioned in article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and in article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 were as follows:

Name	Capacity	Nature of the transaction	Transaction date	Unit price (€)	Transaction amount (€)	Description of the financial instrument
Ana Giros Calpe	Director	Acquisition	11/09/2017	22.47	26,964.00	Shares
Jean-Michel Ropert	Director	Acquisition	02/27/2017	17.80	32,040.00	Shares

To the best of the Company's knowledge, and according to the declarations made to the AMF, transactions executed on Company shares between the end of 2017 and the date of this Registration document by the management and persons mentioned in article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and in article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 were as follows:

Name	Capacity	Nature of the transaction	Transaction date	Unit price (€)	Transaction amount (€)	Description of the financial instrument
André François-Poncet	Director	Acquisition	03/05/2018	21.4717	25,766.04	Shares

3.3.3 Performance shares

Date of the Shareholders' Meeting	05/22/2013	05/22/2013	05/22/2013
Grant date	07/22/2013	07/22/2013	07/16/2014
Number of shares granted (adjusted)	1,346,700	800,000	1,291,600
Total maximum number of Company shares to which shares granted give right (adjusted)	1,346,700	800,000	1,291,600
Number of shares vested	1,088,881	-	337,658
Number of shares canceled	257,819	80,000	517,834
Number of shares granted and not yet vested	-	720,000	436,108
Total number of shares vested or that can be vested by Corporate Officers	88,000	720,000	51,920
Total number of shares vested or shares that can be vested by the top 10 employee grantees	78,400	-	52,541
Expiration of vesting period	07/22/2017 or 07/22/2016 for employees of a French company	07/21/2021 or 07/21/2022	07/16/2018 or 07/16/2017 for employees of a French company
Duration of the retaining period starting from the transfer of ownership of the shares	None, except for two years for employees of a French company	2 years	None, except for two years for employees of a French company
Vesting conditions	Presence and performance[a]	Presence and performance[b]	Presence and performance[a]
Share price on the grant date (€)	21.00	21.00	19.88
Value of one share (€)	17.49	5.77	15.67

(a) Details of the condition of presence and performance conditions for performance share plans are presented in Table 10, section 3.2.2, page 156, of this Registration document.

(b) Details of the extraordinary grant of performance shares on July 22, 2013 are provided in Table 10, section 3.2.2 of this Registration document.

Performance shares granted to the top ten employee grantees (excluding Corporate Officers) during 2017

Performance shares granted	Number of performance shares granted	Valuation of the shares according to the accounting method used in the consolidated financial statements	Plan
Performance shares granted during the year by the issuer and by any company within the scope of the grant of performance shares, to the 10 employees of the issuer and of any company within this scope, which hold granted the highest number of shares (aggregate information)	244,000	€18.94	06/21/2017

Information regarding Corporate Officers is provided in Tables 6 and 7, section 3.2.2, pages 154 and 155 of this Registration document.

05/20/2015	05/17/2016	05/16/2017	Total
07/15/2015	06/21/2016	06/21/2017	
1,136,200	1,131,650	1,207,820	6,913,970
1,136,200	1,131,650	1,207,820	6,913,970
1,972	-	-	1,428,511
143,184	634,598	16,400	1,649,835
991,044	497,052	1,191,420	3,835,624
78,320	12,000	80,000	1,030,240
101,886	22,190	244,000	499,017
07/15/2019 or 07/15/2018 for employees of a French company	06/21/2019	06/21/2020	
None, except two years holding period for employees of a French company	None	None	
Presence and performance[(a)]	Presence and performance[(a)]	Presence and performance[(a)]	
20.79	19.39	20.78	
16.49	17.65	18.94	

3.3.4 Stock subscription and purchase options

Date of the Shareholders' Meeting	06/18/2007	06/18/2007	06/18/2007	05/27/2011	05/27/2011
Plan date	07/03/2009	07/23/2010	07/23/2010	07/18/2011[a]	12/14/2011[a]
Number of shares concerned by stock subscription options granted (adjusted)	1,066,000	540,000	436,800	714,000	260,000
Total maximum number of Company shares to which options granted give right (adjusted)	1,066,000	540,000	436,800	714,000	260,000
Number of options exercised	1,005,600	420,000	340,800	492,000	176,580
Number of options canceled	60,400	-	-	36,000	4,940
Number of stock options granted and in force	-	120,000	96,000	186,000	78,480
Total number of shares subscribed or that can be subscribed/purchased by Corporate Officers	-	-	-	-	-
Total number of shares subscribed or that can be subscribed/purchased by the top 10 employee grantees	194,000	120,000	110,000	126,000	78,480
Start of the option exercise period	07/03/2012	07/23/2013	07/23/2013	07/18/2014	12/14/2014
Option expiration date	07/03/2017	07/23/2018	07/23/2018	07/18/2019	12/14/2019
Subscription/purchase price adjusted at the date of this Registration document (€)	8.75	11.58	11.58	14.42	13.28

(a) Stock purchase option plans.

	05/27/2011	05/22/2013	05/22/2013	05/20/2015	05/17/2016	05/16/2017	Total
	07/18/2012[a]	07/22/2013[a]	07/16/2014[a]	07/15/2015[a]	06/21/2016[a]	06/21/2017[a]	
	1,346,400	1,240,800	1,261,200	1,344,000	1,312,400	1,229,060	10,750,660
	1,346,400	1,240,800	1,261,200	1,344,000	1,312,400	1,229,060	10,750,660
	469,200	60,000	36,705	-	-	-	3,000,885
	59,654	159,206	500,762	104,614	912,176	-	1,837,752
	817,546	1,021,594	723,733	1,239,386	400,224	1,229,060	5,912,023
	240,000	240,000	155,760	234,960	36,000	240,000	1,146,720
	237,600	198,000	147,972	296,784	70,410	562,000	2,141,246
	07/18/2015	07/22/2016	07/16/2017	07/15/2018	06/21/2019	06/21/2020	
	07/18/2020	07/22/2021	07/16/2022	07/15/2025	06/21/2026	06/21/2027	
	17.540	21.01	20.28	20.51	19.35	20.65	

Options exercised during 2017

AGGREGATE INFORMATION

	Plan	Number of options exercised	Exercise price *(in euros)*
Stock subscription options plan	07/03/2009	234,000	8.75
Stock subscription options plan	07/23/2010	96,000	11.58
Stock purchase options plan	07/18/2011	182,000	14.42
Stock purchase options plan	07/18/2012	284,640	17.54
Stock purchase options plan	07/22/2013	60,000	21.01
Stock purchase options plan	07/16/2014	36,705	20.28
TOTAL		**893,345**	

Stock subscription or purchase options granted to the top ten employee grantees (excluding Corporate Officers) and options exercised by the latter during 2017 (AMF Table 9)

Nature of the options	Total number of options granted/shares subscribed or purchased	Weighted average price	Plan
Options granted, in 2017, by the issuer and by any company within the scope of the grant to the 10 employees of the issuer and of any company within this scope whom hold the highest number of options (aggregate information)	562,000	€20.65	06/21/2017
Options granted by the issuer and by the companies referred to above, exercised in 2017 by the 10 employees of the issuer or its subsidiaries having subscribed to or purchased the highest number of options (aggregate information)	216,000	€8.75	07/03/2009
	96,000	€11.58	07/23/2010
	182,000	€14.42	07/18/2011
	218,400	€17.54	07/18/2012
	48,000	€21.01	07/22/2013
	8,043	€20.28	07/16/2014

Information regarding Corporate Officers can be found in Tables 4 and 5, section 3.2.2, page 154, of this Registration document.

3.3.5 Potential impact of shares giving access to Company capital

As of December 31, 2017, a total of 216,000 shares would be issued if all Bureau Veritas stock options were to be exercised. Based on the number of shares making up the share capital of Bureau Veritas as of December 31, 2017, which is 442,000,000 shares, issuing all of these shares would represent 0.05% of Bureau Veritas' capital.

Based on the share capital as of December 31, 2017, issuing all of the 3,835,624 performance shares granted would result in a further maximum potential dilution of 0.87%, bringing the total dilutive effect (stock subscription options and performance shares) to 4,051,624 shares, or 0.92% of the Company's capital.

3.3.6 Service agreements involving Executive Corporate Officers or Directors and Bureau Veritas or one of its subsidiaries

As of the date of filing this Registration document, there were no service agreements between Executive Corporate Officers or Directors and the Company or its subsidiaries providing for any benefits.

4

Management report AFR

Components of the Annual Financial Report are identified in this table of contents with the sign AFR

This report covers the Group's results and business activities for the year ended December 31, 2017 and was prepared based on the 2017 consolidated financial statements, included in section 5.1 of this Registration document.

4.1 2017 Highlights

4.1.1 High single-digit growth for Growth Initiatives; other businesses stable

Group organic revenue growth achieved 2.2% in FY 2017, with an acceleration in H2 including 3.8% in the last quarter. This is explained by:

- Strong growth for the 5 Growth Initiatives (a third of Group revenue), up 6.9% organically and year-on-year (vs. +4.9% in FY 2016). High double-digit growth was achieved in both Automotive and SmartWorld and a mid-single digit for Agri-Food, Opex and Buildings & Infrastructure.
- Gradual improvement through the year for the Base business (two-third of Group revenue), up 0.1% organically and year-on-year with an organic growth of 2.6% in the last quarter. Apart from Marine & Offshore (8% of Group revenue) and Oil & Gas Capex-related activities (less than 5% of Group revenue) which remained under cyclical pressure (down 5% and 16% respectively in 2017), the other activities performed well, with notably Metals & Minerals in a recovery mode, and Certification maintaining robust growth.

This set of figures supports the Group's emphasis on its targeted Growth Initiatives, which are delivering additional growth and intentional diversification.

4.1.2 Nine acquisitions in 2017, all supporting the Growth Initiatives

In 2017, the Group completed nine acquisitions, representing €146 million in annualized revenue (or 3.2% of 2017 Group revenue). The scope effect was €112.7 million in 2017. These bolt-on acquisitions allow Bureau Veritas to broaden the Group's services offering to existing clients while gaining access to new ones, and to develop its footprint in new markets. All of the acquisitions in 2017 supported the Growth Initiatives.

In particular, the Group expanded its presence on the Buildings & Infrastructure market in various regions across the globe, including the United States (Primary Integration Solutions and California Code Check), Mexico (INCA), China (Shanghai Project Management – SPM, finalized in February 2017) and Australia (McKenzie Group).

The Agri-Food initiative was enhanced by the acquisition of Rotterdam-based Schutter Group, a provider of inspection and testing services to the global Agri-Food markets. The SmartWorld market was the focus of two acquisitions: Siemic, a US-based testing and certification body for electrical and electronic equipment, and ICTK, one of the key global players in smart payment testing and certification services for mobile devices, payment cards and point of sale terminals in South Korea. The Group also acquired IPS Tokai Corporation, a leading supplier of electromagnetic compatibility (EMC) testing services in Japan. This acquisition will help Bureau Veritas expand its footprint in Asia and add testing services to its automotive portfolio.

4.1.3 Successful US private placement

In September 2017, Bureau Veritas successfully completed a 10-year USD 355 million private placement in the United States, comprising two tranches. The first USD 200 million tranche was issued on September 1, 2017 by the Group's US subsidiary, Bureau Veritas Holdings, Inc., while the second USD 155 million tranche will be issued in July 2018 by the parent company, Bureau Veritas SA.

The transaction illustrates investors' firm confidence in Bureau Veritas' business model and in the quality of its credit profile. Bureau Veritas has been a repeat issuer on this market since 2008.

This US private placement enables the Group to:

- capitalize on attractive market conditions to refinance its USD debt at a rate of 3.67% (with a 35 basis-point premium to be added for 12 months deferral), equivalent to a 1.68% EUR fixed rate. The USD 155 million component deferred over one year refinances a 6.7% fixed-rate debt;
- extend the maturity of its debt to an average of 5.1 years versus 4.0 years previously;
- obtain a one-year delayed drawn tranche rarely achieved on this market;
- expand its investor base with 10 new investors.

4.2 Business review and results

(€ millions)	2017	2016	Change
Revenue	**4,689.4**	**4,549.2**	**+3.1%**
Purchases and external charges	(1,394.1)	(1,340.3)	
Personnel costs	(2,449.0)	(2,349.9)	
Other expenses	(240.0)	(249.3)	
Operating profit	**606.3**	**609.7**	**(0.6)%**
Share of profit of equity-accounted companies	0.6	0.8	
Net financial expense	(103.7)	(86.5)	
Profit before income tax	**503.2**	**524.0**	**(4.0)%**
Income tax expense	(164.8)	(188.9)	
Net profit	**329.8**	**335.1**	**(1.6)%**
Non-controlling interests	21.8	15.7	
ATTRIBUTABLE NET PROFIT	**308.0**	**319.4**	**(3.6)%**

4.2.1 Revenue

Bureau Veritas revenue totaled €4,689.4 million in full-year 2017, up 3.1% year-on-year. This reflects:

- organic growth[1] of 2.2%;
- a positive 2.5% impact from changes in the scope of consolidation; and
- a negative 1.6% impact from currency fluctuations related to the unfavorable performance of the US dollar against the euro.

4.2.2 Operating profit

Consolidated operating profit was €606.3 million in 2017, dipping 0.6% year-on-year. Expenses relating to purchases and personnel costs were up 4.1% overall. Other expenses fell 3.7%.

4.2.3 Adjusted Operating Profit

The Group internally monitors "adjusted" operating profit which management considers more representative of the operating performance in its business sector. This indicator is also used by most companies in the TIC industry.

Adjusted Operating Profit is defined as operating profit before income and expenses relative to acquisitions and other non-recurring items.

The table below shows a breakdown of Adjusted Operating Profit in 2017 and 2016:

(€ millions)	2017	2016	Change
Operating profit	**606.3**	**609.7**	**(0.6)%**
Amortization of intangible assets resulting from acquisitions	77.1	79.5	
Restructuring costs	57.1	42.6	
Acquisition and disposals	5.0	3.1	
Total non-recurring items	**139.2**	**125.2**	
ADJUSTED OPERATING PROFIT	**745.5**	**734.9**	**+1.4%**

(1) Organic growth for 2017 reflects year-on-year revenue growth at constant currency and scope.

Non-recurring items totaled €139.2 million in the year, compared to €125.2 million in 2016, and comprised:

- €77.1 million in amortization of intangible assets resulting from acquisitions;
- €57.1 million in restructuring costs recognized in all regions and businesses, with actions taken mainly in Marine & Offshore, government services, Industry and commodities related-activities;
- €5.0 million relating mainly to acquisition fees arising on acquisitions carried out in the year.

The Group's operating profit adjusted for non-recurring items climbed 1.4% to €745.5 million in 2017.

Adjusted operating margin expressed as a percentage of revenue was 15.9% in 2017, down 25 basis points on 2016. On a constant currency and scope basis, adjusted operating margin narrowed by around 5 basis points in 2017.

Above two-thirds of the portfolio have stable or improving margins, adding 40 basis points to the Group organic margin: this is driven by a significant improvement in Agri-Food & Commodities and in Buildings & Infrastructure, and maintained high margins in both Certification and Consumer Products. This improvement is the result of a combination of operating leverage, strict cost management, Lean efforts and restructuring pay back.

Less than a third of the portfolio has a minus 45 basis-point impact on Group margin with: i) -20 basis points coming from Marine & Offshore, due to lower volume of activity, notably for new construction and Offshore Services; ii) -25 basis points resulting from price pressure in Oil and Gas and change of mix in Industry.

4.2.4 Net financial expense

Consolidated net financial expense essentially includes interest and amortization of debt issuance costs, income received in connection with loans, debt securities or equity instruments, or other financial instruments held by the Group, and unrealized gains and losses on marketable securities as well as gains or losses on foreign currency transactions and adjustments to the fair value of financial derivatives. It also includes the interest cost on pension plans, the expected income or return on funded pension plan assets and the impact of discounting long-term provisions.

CHANGE IN NET FINANCIAL EXPENSE

(€ millions)	**2017**	**2016**
Finance costs, gross	(88.1)	(92.8)
Income from cash and cash equivalents	1.3	2.9
Finance costs, net	**(86.8)**	**(89.9)**
Foreign exchange gains/(losses)	(12.1)	8.7
Interest cost on pension plans	(2.8)	(2.8)
Other	(2.0)	(2.5)
NET FINANCIAL EXPENSE	**(103.7)**	**(86.5)**

Net financial expense was €103.7 million in 2017 compared to €86.5 million in 2016.

- The decrease in net finance costs, to €86.8 million in 2017 from €89.9 million in 2016, essentially derives from (i) the fall in the average interest rate, partly offset by the increase in average indebtedness (additional bond issue in September 2016) and (ii) a decrease in income from cash and cash equivalents;
- The Group's foreign exchange gains and losses result from the impact of currency fluctuations on the assets and liabilities of the Group's subsidiaries denominated in a currency other than their functional currency. The Group reported a €12.1 million foreign exchange loss in 2017, reflecting the depreciation in the US dollar against the euro and the currencies of several emerging markets, coupled with the sharp rise in the euro against various currencies;
- The interest cost on pension plans remained stable.

4.2.5 Income tax expense

Income tax expense on consolidated revenue amounted to €164.8 million in 2017 compared to €188.9 million in 2016. The effective tax rate, corresponding to the income tax expense divided by the amount of pre-tax profit, was 32.8% in 2017 compared with 36.0% in 2016.

The adjusted effective tax rate was 31.8%. This decrease of 2.8 percentage points in the effective tax rate compared to 2016 (34.6%) reflects a combination of one-off items, including the refund in 2017 of the 3% dividend contribution after this was declared null and void by the French Constitutional Court. The Group’s deferred taxes were remeasured to reflect the reduction in the US tax rate voted at the end of 2017.

4.2.6 Attributable net profit

Attributable net profit for the period was €308.0 million versus €319.4 million in 2016. Earnings per share (EPS) came out at €0.71, compared to €0.73 in 2016.

4.2.7 Adjusted attributable net profit

Adjusted attributable net profit is defined as attributable net profit adjusted for other non-recurring items after tax.

CHANGE IN ADJUSTED NET PROFIT

(€ millions)	2017	2016
Attributable net profit	**308.0**	**319.4**
EPS[a] (in euros per share)	0.71	0.73
Non-recurring items	139.2	125.2
Net profit (loss) from discontinued operations	8.6	-
Tax impact on non-recurring items	(39.7)	(35.6)
ADJUSTED ATTRIBUTABLE NET PROFIT	**416.1**	**409.0**
ADJUSTED EPS[a] *(in euros per share)*	0.95	0.94

(a) Calculated using the weighted average number of shares: 436,422,741 shares in 2017 and 437,147,988 shares in 2016.

Adjusted attributable net profit amounted to €416.1 million, a rise of 1.7% compared to 2016. Adjusted earnings per share came out at €0.95 in 2017 versus €0.94 one year earlier.

4.2.8 Results by business

CHANGE IN REVENUE BY BUSINESS

			Growth			
(€ millions)	2017	2016[a]	Total	Organic	Scope	Currency
Marine & Offshore	364.9	391.9	(6.9)%	(5.3)%	+0.6%	(2.2)%
Agri-Food & Commodities	1,072.5	1,004.6	+6.8%	+2.4%	+5.6%	(1.2)%
Industry	1,096.3	1,132.0	(3.2)%	(0.8)%	(0.9)%	(1.5)%
Buildings & Infrastructure	1,119.9	1,029.0	+8.8%	+5.1%	+5.1%	(1.4)%
Certification	368.6	353.5	+4.3%	+6.1%	+0.1%	(1.9)%
Consumer Products	667.1	638.3	+4.5%	+4.7%	+1.9%	(2.1)%
TOTAL GROUP	**4,689.4**	**4,549.2**	**+3.1%**	**+2.2%**	**+2.5%**	**(1.6)%**

(a) Revenue for 2016 was restated to reflect the reclassification of approximately €5 million between Buildings & Infrastructure and Industry.

CHANGE IN ADJUSTED OPERATING PROFIT BY BUSINESS

	Adjusted Operating Profit			Adjusted operating margin					
(€ millions)	2017	2016[(a)]	Change	2017	2016	Total change (basis points)	Organic change	Scope	Currency
Marine & Offshore	80.2	99.2	(19.1)%	22.0%	25.3%	(330)	(260)	(15)	(55)
Agri-Food & Commodities	134.6	117.1	+14.9%	12.6%	11.7%	+90	+120	(40)	+10
Industry	133.1	148.4	(10.3)%	12.1%	13.1%	(100)	(115)	+40	(25)
Buildings & Infrastructure	170.1	154.0	+10.4%	15.2%	15.0%	+20	+75	(40)	(15)
Certification	62.9	60.3	+4.3%	17.1%	17.1%	-	(20)	+5	+15
Consumer Products	164.6	155.9	+5.6%	24.7%	24.4%	+30	+30	+ 10	(10)
TOTAL GROUP	**745.5**	**734.9**	**+1.4%**	**15.9%**	**16.2%**	**(25)**	**(5)**	**(9)**	**(12)**

(a) Adjusted operating profit for 2016 was restated to reflect the reclassification of approximately €4 million between Buildings & Infrastructure and Industry.

CHANGE IN ADJUSTED OPERATING MARGIN

(in percentage and basis points)	
Adjusted operating margin at December 31, 2016	**16.2%**
Organic change	(5)bp
Organic adjusted operating margin	**16.1%**
Scope	(9)bp
Currency	(12)bp
ADJUSTED OPERATING MARGIN AT DECEMBER 31, 2017	**15.9%**

Marine & Offshore

Revenue decreased by 4.7% on a constant currency basis, including 5.3% negative organic growth and 0.6% acquisition-led growth. Q4 2017 revenue fell -4.2% on an organic basis, being mainly affected by the new construction decline.

Revenue for the In-service ship segment (62% of divisional revenue) decreased slightly year-on-year, with a mixed situation by sub-segment: Core In-service grew slightly, a reflection of growth in the classed fleet, partly offset by price pressure while the level of laid-up ships stabilized. Offshore-related activities recorded a single-digit fall, still driven by the lack of deep-sea projects and further reduction of risk assessment studies. Nonetheless, services for offshore clients showed some stabilization towards the end of 2017.

At December 31, 2017, the fleet classified by Bureau Veritas comprised 11,299 ships and represented 118.0 million of Gross Register Tonnage (GRT), up 3.6% on a yearly basis.

While revenue from the New Construction segment (38% of revenue) decreased sharply over the full-year, the new order intake for the year represented 5.1 million GRT, compared to 1.9 million GRT a year ago. The order book reached 12.6 million GRT at the end of 2017 (compared to 13.6 million GRT as of December 2016) and remains well diversified with categories such as Tankers, Bulk and LNG vessels expanding their share.

The adjusted operating margin for the year came in at 22.0%, down 330 basis points compared to 2016, primarily explained by the downturn in new-build activity. The Group has undertaken restructuring actions to counteract the heavy pressure on Marine & Offshore's operating margin.

Outlook: In 2018, Bureau Veritas expects organic growth in this business to be slightly negative. This reflects i) a further decline in New Construction given the lead time with a progressive rebound expected from H2 2018 onwards thanks to new orders won in 2017; ii) resilient In-Service activity including the Offshore-related activities.

Agri-Food & Commodities

Revenue moved up 8.0% on a constant currency basis, including organic growth of 2.4% and acquisition-led growth of 5.6%, driven primarily by the acquisition of Schutter Group (in March). Q4 revenue increased by +7.1% on a constant currency basis, of which 4.9% came from organic growth and 2.2% from scope effect. **Oil & Petrochemicals** (O&P) segment (38% of divisional revenue) achieved 3.0% organic growth, as a result of a good performance in O&P trade activities in the context of challenging price, and competitive environment. Growth was particularly strong in China, high in Africa and robust in Europe. Non trade-activities (OCM, Marine fuel) achieved double-digit growth with an increased contribution.

Metals & Minerals segment (27% of revenue) achieved a good performance with organic growth of 5.7% in 2017, led by both Trade and Upstream (excluding coal) activities. Upstream activities, excluding coal which remains under pressure, recorded a significant uptick in the fourth quarter thereby confirming an acceleration in the second half. Trade activities experienced growth across all geographies with particularly steady growth in Europe, benefiting from continued focus on key accounts and market share gains.

Agri-Food (20% of revenue) reported a solid 6.8% organic growth for the full-year, benefiting from double-digit growth in agricultural testing and inspection activities. This was notably led by the solid performance of Brazilian activities with soybean and corn achieving record production levels. Overall, the Group is enjoying increased depth and scope of Latin American capabilities provided by the acquisition of Schutter Group in the first quarter of 2017 as well as from KMA at the end of 2016.

Government Services (15% of revenue) revenue was down -7.1% organically. The revenue declined essentially as a result of lower volume and value of imports intended for West African countries, the end of a PSI (Pre-Shipment Inspection) contract in Guinea, the normal end of the Concession Scanner contract in Ivory Coast and further deterioration in the Iraqi VOC (Verification of Conformity) program. The latter, however, has been stabilizing in the fourth quarter. 2017 was characterized by the gradual disappearance of PSI in the revenue mix while VOC contracts increased at a sustained pace, notably in Q4 2017. In addition, the Group has expanded the offering of new services such as a one-stop-shop insurance offer in Armenia. This participates in the overall reduction of the risk profile from Government Services activities.

The adjusted operating margin for the year gained 90 basis points at 12.6%, up from 11.7% in 2016 benefiting primarily from volume and mix effects across the various segments.

Outlook: In 2018, the Group expects its Agri-Food & Commodities business to improve its growth compared to 2017, fuelled by recovering Metal & Minerals markets, healthy Agri-Food businesses and stabilizing government services thanks to the ramp-up of several contract wins.

Industry

Revenue decreased by 1.7% on a constant currency basis for the full-year with a slight organic decline of -0.8% (including -0.2% in Q4) and a -0.9% scope impact related to the disposal of non-strategic non-destructive testing (NDT) activities in Europe (France and Germany).

This reflected a marked decline in Oil & Gas Capex-related activities (down 16% at Group level), partly compensated by low single-digit growth in Oil & Gas Opex and solid performances in other end-markets such as Power & Utilities and Transportation (including Automotive).

In Oil & Gas markets (38% of divisional revenue), the conditions remained challenging with persistently weak levels of activity in Oil & Gas Capex with continued reduced investments amongst the major oil companies and continuing pricing pressure. In this context the Group continued its push on Opex-related services, which grew slightly during the year.

Overall solid growth was achieved in Opex-related activities, including an 18% organic growth in Power & Utilities, which remains a key focus in the Group's strategic plan.

In the Automotive sector, the Group is working on several outsourcing projects: this includes Code'nGO launched during the year, which enables learners to take the written test for the French driver's license within a fully automated and digitalized process in over 100 test centers operated by Bureau Veritas; further deployment is expected in 2018.

By geography, growth was strong in Africa and the Middle East, robust in Latin America (primarily led by Brazil) owing to country and sector diversification while more subdued in both Europe and North America. USA was back in positive territory in Q4. There was a marked decline in Australia and South Korea, as anticipated, due to large contracts ending.

The adjusted operating margin for the year declined 100 basis points to 12.1%, from 13.1% in 2016 due to i) the negative mix effect of Oil & Gas Capex decline and the push towards Opex-related services; ii) some persistent price pressure in Oil & Gas Opex activities.

Outlook: In 2018, Bureau Veritas expects a return to slightly positive organic revenue growth overall for the business as the strategy of diversification will continue to pay off (Power & Utilities, Automotive) alongside bottoming Oil & Gas Capex markets throughout the year.

Buildings & Infrastructure

The Buildings & Infrastructure business demonstrated solid revenue growth of 10.2% at constant currency, equally split between organic (5.1%) and external growth (with five acquisitions completed in 2017: Shanghai Project Management in China, California Code Check and Primary Integration in the US, INCA in Mexico and McKenzie Group in Australia).

Slightly stronger organic growth was achieved in Construction-related activities (60% of revenue) than for Building in-service activities.

Double-digit organic growth was experienced in Asia (25% of revenue), including 16.4% organic growth for the operations in China (17% of Buildings & Infrastructure revenue) and 13.2% growth in the more mature Japanese market. China was driven by strong growth in energy and infrastructure project management, sectors where Bureau Veritas has built strong positions.

In the Americas (13% of revenue), the robust growth was driven, in particular, by regional expansion (Chile, Colombia, Argentina) through new construction projects.

Growth in Europe (59% of revenue) was below the divisional average, mainly due to a slow start in France (44% of revenue) although Q4 showed a nice uptick. Capex-related activities is on an upward trend with a good level of sales and opex-related activities benefited from acceleration in the recruitment phase and contract wins in the mass market, notably in France and in the UK.

The adjusted operating margin for the year improved by 20bp to 15.2%, including a 75bp improvement organically, thanks to volume and mix effects.

Outlook: In 2018, the outlook for the business remains positive overall with sustained solid growth on both Capex and Opex related services. This outlook reflects the expectation of strong growth in Asia (notably in China led by numerous infrastructure projects) and Latam, as well as improving growth in Europe, notably in France, driven by both Capex and Opex.

Certification

The Certification business achieved solid organic growth of 6.1% for the full-year 2017 (of which 6.8% in Q4), with growth spread across all regions and categories.

Overall the growth was supported by renewed standards (ISO 9001, 14001, AS 9100 in the Aerospace and IATF in the Automotive sectors), along with new product and service launches. At the end of 2017, more than 50% of Bureau Veritas' clients have transitioned to the new QHSE standards (ISO 9001: 2015 and ISO 14001: 2015). The transition effect is expected to continue until the first-half of 2018.

Double-digit growth was achieved for Customized Audits led by Supplier Risk Management, Brand Protection and Client Operations audits -, as well as for training activities, also benefiting from the transition to the new standards. Food Certification schemes recorded high single-digit growth, notably fuelled by Certification of Organic food products, while the growth of Supply Chain & Sustainability delivered mid-single digit (led by Energy management and Greenhouse Gases partly offset by a decline of Wood Management Systems Certification).

Global Certification contracts grew by 10% organically, with the ramp-up of new contracts signed with international companies, notably in Automotive, Aerospace, Food and Oil & Gas sectors.

Lastly, new products and services launched were also a major contributor to growth. This includes the Group's offering addressing enterprise risks: cybersecurity, anti-bribery and business continuity; in the field of cybersecurity, Bureau Veritas obtained in Q3 2017 the authorization to deliver Information Safety Certification in China. Also, the Group has developed its own referential for data privacy ahead of the implementation of the GDPR (General Data Protection Regulation) in May 2018 within the EU.

By geography, Eastern Europe and Latin America delivered a double-digit growth, high single-digit growth was achieved in Asia while the rest of Europe and Americas recorded a mid-single digit pace.

The adjusted operating margin for the year was stable at a healthy 17.1%. This reflects a strong increase in Latam and a decrease in North America due to significant investment while the other regions remained broadly stable.

Outlook: In 2018, the Certification business is expected to deliver a sustained robust growth with a stronger first-half than second-half due to the revised standards transition deadline in September 2018.

Consumer Products

Revenue increased by 6.6% on a constant currency basis, of which 4.7% was organic, with a solid performance across nearly all services categories. Q4 2017 revenue was up 6.5% at constant currency, benefiting from a 4.9% increase on an organic basis.

High single-digit growth was achieved in the Electrical & Electronics segment (33% of divisional revenue) led by Automotive and Mobile testing, primarily in Europe and USA. Hardlines performed strongly, up low double-digit organically led by China and strong momentum with key accounts, notably in Europe; on the other side, Toys remained under structural pressure with a single-digit decline for the full-year although stabilization was achieved in Q4.

Lastly, Softlines (36%) grew in line with the divisional average in the context of a challenging environment with traditional retailers. This supports the Group's strategy of targeting mega-vendors and mid-tier accounts. North Asia and South East Asia was the region that reported the highest growth. China's domestic market contributed to the performance, with the Automotive sector spearheading growth.

The acquisition of Siemic early in 2017 enhanced Bureau Veritas' presence in the SmartWorld and Automotive sectors both in China and in the USA. Moving forward, the Group will leverage its homologation testing business in China (VEO acquisition) and expand the platform in Japan (IPS Tokai).

The adjusted operating margin for the year improved by 30 basis points to a strong 24.7% as margin initiatives (cost management/LEAN) more than offset price pressure and negative mix.

Outlook: In 2018, the Group expects mid-single digit growth, similar to 2017, reflecting strong momentum in Electrical & Electronics supported by SmartWorld and Automotive initiatives as well as for Hardlines helped notably by stabilization in the toys sub-segment.

4.3 Cash flows and sources of financing

4.3.1 Cash flows

(€ millions)	**2017**	**2016**
Profit before income tax	503.2	524.0
Elimination of cash flows from financing and investing activities	103.8	61.1
Provisions and other non-cash items	(0.3)	57.9
Depreciation, amortization and impairment	203.7	202.4
Movements in working capital attributable to operations	(59.5)	(37.2)
Income tax paid	(169.7)	(213.8)
Net cash generated from operating activities	**581.2**	**594.4**
Acquisitions of subsidiaries	(164.8)	(189.8)
Proceeds from sales of subsidiaries and businesses	-	0.7
Purchases of property, plant and equipment and intangible assets	(142.3)	(156.6)
Proceeds from sales of property, plant and equipment and intangible assets	8.9	10.7
Purchases of non-current financial assets	(32.2)	(10.7)
Proceeds from sales of non-current financial assets	10.3	19.3
Change in loans and advances granted	7.3	1.0
Dividends received from equity-accounted companies	**0.7**	**0.5**
Net cash used in investing activities	**(312.1)**	**(324.9)**
Capital increase	3.4	1.0
Purchases/sales of treasury shares	(36.8)	(42.8)
Dividends paid	(295.4)	(255.1)
Increase in borrowings and other financial debt	172.6	742.5
Repayment of borrowings and other financial debt	(717.0)	(35.9)
Repayment of amounts owed to shareholders	(3.4)	(13.3)
Interest paid	(98.2)	(86.0)
Other	(0.3)	-
Net cash generated from (used in) financing activities	**(975.1)**	**310.4**
Impact of currency translation differences	(27.7)	(2.6)
Impact of change in accounting policy	0.2	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(733.5)**	**577.3**
Net cash and cash equivalents at beginning of year	1,088.0	510.8
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**354.5**	**1,088.1**
o/w cash and cash equivalents	364.3	1,094.1
o/w bank overdrafts	(9.8)	(6.0)

Net cash generated from operating activities

Net cash generated from operating activities was down 2.2% to €581.2 million, primarily due to an estimated negative currency effect of €20.2 million. The change in WCR at December 31, 2017 corresponds to €59.5 million in uses of funds in 2017, compared to €37.2 million in uses of funds in 2016. This increase is mainly due to growth in the Group's business in fourth-quarter 2017 (3.8% organic growth in the three months to December 31, with an estimated impact of €40 million on trade receivables at the reporting date). These negative impacts were partly offset by the organic increase in net cash flows and the decrease in tax paid in 2017, with the refund of the 3% dividend contribution during the year and adjustments to various corporate income tax payments in France.

Working capital requirement (WCR) was €453.2 million at December 31, 2017, compared to €454.6 million at December 31, 2016. As a percentage of revenue, it was down to 9.7% from 10.0% at end-2016.

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

Free cash flow (net cash flow generated from operating activities after tax, interest expense and acquisitions of property, plant and equipment and intangible assets) was €349.6 million in 2017, down 3.6% on 2016. On an organic basis, free cash flow improved by 3.2% in 2017. Adjusted for the unfavorable timing differences in interest payments (-€10.3 million), the organic increase in free cash flow was 6.0%.

CHANGE IN FREE CASH FLOW

(€ millions)	
Free cash flow at December 31, 2016	**362.5**
Organic change	+11.5
Organic free cash flow	**374.0**
Scope	+7.7
Free cash flow at constant currency	**381.7**
Currency	(32.1)
FREE CASH FLOW AT DECEMBER 31, 2017	**349.6**

Purchases of property, plant and equipment and intangible assets

The Group's inspection and certification activities are fairly non capital-intensive, whereas its laboratory testing and analysis activities require investment in equipment. These investments concern the Consumer Products and Agri-Food & Commodities businesses and certain customs inspection activities (Government Services & International Trade, included within the Agri-Food & Commodities business) requiring scanning equipment and information systems.

Total purchases of property, plant and equipment and intangible assets net of disposals by the Group were limited, down 8.6% year-on-year at €133.4 million. The Group's net-Capex-to-revenue ratio was 2.8% in 2017, compared to 3.2% in 2016.

Interest paid

Interest paid increased to €98.2 million from €86.5 million in 2016, owing to the Group's debt refinancing schedule.

Net cash used in investing activities

Net cash used in investing activities reflects the Group's acquisition-led growth. The breakdown of acquisitions made by the Group can be presented as follows:

(€ millions)	2017	2016
Purchase price of acquisitions	(189.9)	(181.6)
Cash and cash equivalents of acquired companies	15.2	9.8
Contingent price consideration payable in respect of acquisitions in the year	30.9	40.1
Purchase price paid in relation to acquisitions in prior periods	(15.1)	(52.3)
Impact of acquisitions on cash and cash equivalents	**(158.9)**	**(184.0)**
Acquisition fees	(5.9)	(5.8)
ACQUISITIONS OF SUBSIDIARIES	**(164.8)**	**(189.8)**

Acquisitions and disposals of companies

The Group carried out nine acquisitions in 2017. A detailed description of these acquisitions is included in section 4.1 – 2017 Highlights and in Note 12 to the 2017 consolidated financial statements included in section 5.1 of this Registration document.

The net financial impact of the acquisitions was €168.7 million, and includes:

- €164.8 million in respect of acquisitions of subsidiaries;
- €0.5 million in financial debt of acquired companies;
- €3.4 million relating to purchases of non-controlling interests.

Net cash generated from financing activities

Capital transactions (capital increases/reductions and share buybacks)

To cover its stock option plans, the Company carried out share buybacks net of capital increases in 2017 amounting to €33.4 million.

Dividends paid

In 2017, the Group paid out €295.4 million in dividends, including €239.8 million paid by Bureau Veritas SA to its shareholders in respect of 2016 (dividend of €0.55 per share).

Financial debt

Gross financial debt on the statement of financial position decreased by €633.4 million at December 31, 2017 compared with December 31, 2016. This decrease chiefly reflects the redemption of the €500 million bond issue maturing in May 2017, which had been pre-financed in 2016.

Adjusted net financial debt edged up €98 million, primarily reflecting:

- €164.8 million in payments relating to acquisitions carried out in the year, €295.4 million in dividends paid and €36.8 million in purchases of treasury shares;
- €349.6 million in free cash flow and €68.4 million related to the favorable impact of currency fluctuations on borrowings and debt at end-2017.

4.3.2 Financing

Sources of Group financing

Main sources of financing

At December 31, 2017, the Group's gross debt totaled €2,449.0 million, comprising:

Non-bank financing:

- 2008 US Private Placement (€292.8 million);
- 2010 US Private Placement (€184.1 million);
- 2011 & 2014 US Private Placement (€166.8 million);
- 2013 & 2014 US Private Placement (€125.1 million);
- 2017 US Private Placement (€166.8 million) carried on the books of Bureau Veritas Holdings, Inc.;
- different tranches of the *Schuldschein* "SSD" notes (€260 million); and
- 2014 and 2016 bond issues (€1.2 billion).

Bank financing:

- 2012 syndicated loan (undrawn);
- other bank debt (€15.9 million); and
- bank overdrafts (€9.8 million).

Other bank debt and accrued interest (€27.7 million).

The change in the Group's gross debt is shown below:

(€ millions)	**2017**	**2016**
Bank borrowings due after one year	2,240.0	2,492.9
Bank borrowings due within one year	199.2	583.5
Bank overdrafts	9.8	6
GROSS DEBT	**2,449.0**	**3,082.4**

The table below shows the change in cash and cash equivalents and net debt:

(€ millions)	**2017**	**2016**
Marketable securities	7.1	668.7
Cash at bank and on hand	357.2	425.4
Cash and cash equivalents	**364.3**	**1,094.1**
Gross debt	2,449.0	3,082.4
NET DEBT	**2,084.7**	**1,988.3**
Currency hedging instruments	9.7	8.1
ADJUSTED NET DEBT	**2,094.4**	**1,996.4**

Adjusted net financial debt (net financial debt after currency hedging instruments as defined in the calculation of covenants) amounted to €2,094.4 million at December 31, 2017, compared to €1,996.4 million at December 31, 2016.

Bank covenants

The majority of the Group's financing requires compliance with certain financial covenants and ratios. The Group complied with all such commitments at December 31, 2017. The commitments can be summarized as follows:

- the first covenant is defined as the ratio of adjusted consolidated net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any acquisitions over the past 12 months. The ratio must be below 3.25. At December 31, 2017, it stood at 2.37;
- the second covenant represents consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any acquisitions over the past 12 months, divided by the Group's net interest expense. The ratio must be above 5.5. At December 31, 2017, it stood at 10.18.

Main terms and conditions of financing

2008 US Private Placement

On July 16, 2008, the Group put in place a private placement in the United States ("2008 USPP") for USD 266 million and GBP 63 million. The terms and conditions of this financing are as follows:

Maturity	Amounts drawn down *(€ millions)*	Currency	Repayment	Interest
July 2018	155.2	GBP & USD	At maturity	Fixed
July 2020	137.6	GBP & USD	At maturity	Fixed

This issue was carried out in the form of four senior notes redeemable at maturity. The 2008 USPP has been fully drawn down.

The Group has refinanced USD 155 million maturing in July 2018 with a pool of US investors. This facility will be drawn in July 2018.

2010 US Private Placement

The terms and conditions of this financing (USPP 2010) are as follows:

Maturity	Amounts drawn down *(€ millions)*	Currency	Repayment	Interest
July 2019	184.1	EUR	At maturity	Fixed

At December 31, 2017, the 2010 USPP was fully drawn down in euros for a total of €184.1 million.

2011 & 2014 US Private Placement

In 2011, the Group set up an unconfirmed, multi-currency USD 200 million facility with an investor.

The Group confirmed it had drawn down USD 100 million of this facility in 2011 with a ten-year term, and USD 100 million in May 2014 with an eight-year term.

Maturity	Amounts drawn down *(€ millions)*	Currency	Repayment	Interest
October 2021	83.3	USD	At maturity	Fixed
May 2022	83.3	USD	At maturity	Floating

At December 31, 2017, the facility was fully drawn down in US dollars.

2013 & 2014 US Private Placement

In October 2013, the Group set up an unconfirmed, multi-currency facility of USD 150 million with an investor, available for three years.

Maturity	Amounts drawn down *(€ millions)*	Currency	Repayment	Interest
September 2020	62.5	USD	At maturity	Floating
July 2022	20.8	USD	At maturity	Floating
July 2022	41.7	USD	At maturity	Fixed

At December 31, 2017, the facility was fully drawn down in US dollars.

2017 US Private Placement

In September 2017, the Group put in place a private placement in the United States ("2017 USPP") for USD 355 million. The terms and conditions of the USPP 2017 are as follows:

Maturity	Amounts drawn down *(€ millions)*	Currency	Repayment	Interest
September 2027	166.8	USD	At maturity	Fixed

At December 31, 2017, the financing facility carried by Bureau Veritas Holdings, Inc. had been fully drawn down in US dollars.

Maturity	Amounts undrawn (€ millions)	Currency	Repayment	Interest
July 2028	129.2	USD	At maturity	Fixed

At December 31, 2017, the USD 155 million facility had not been drawn down.

Schuldschein notes (SSD)

In 2011 and 2012, the Group put in place multi-tranche *Schuldschein*-type private placements on the German market for a total amount of €193 million, redeemable at maturity. A total of €92 million of this debt was redeemed in 2015, €14 million in 2016 and €27 million in 2017.

A new private placement for €200 million was set up in July 2015, maturing at five and seven years. The total amount outstanding under this facility represented €260 million at December 31, 2017.

2014 and 2016 bond issues

The Group carried out three non-rated bond issues for a total amount of €1.2 billion, including two issues in 2016: a €500 million bond maturing at seven years and a €200 million bond maturing at ten years. The bonds have the following terms and conditions:

Maturity	Amounts drawn down (€ millions)	Currency	Repayment	Interest
January 2021	500	EUR	At maturity	3.125%
September 2023	500	EUR	At maturity	1.250%
September 2026	200	EUR	At maturity	2.000%

Commercial paper

The Group put in place a commercial paper program to optimize its short-term cash management. The maturity of commercial paper is less than one year. This program is capped at €450 million.

The Group did not issue any commercial paper at December 31, 2017.

Syndicated loan

The Group has a confirmed revolving syndicated loan for €450 million. This facility was set up in July 2012 for a five-year term and its maturity was extended to April 2019 in 2014.

At December 31, 2017, the 2012 syndicated loan had not been drawn down.

Sources of financing anticipated for future investments

The Group estimates that its operations will be able to be fully funded by the cash generated from its operating activities.

In order to finance its external growth, at December 31, 2017 the Group had sources of funds provided by:

- available cash flow after taxes, interest and dividends;
- cash and cash equivalents;
- a confirmed amount of €450 million available under the 2012 syndicated loan. The availability of this facility depends on the Group complying with its covenants.

Ongoing and planned investments

Main investments in progress

At end-December 2017, the main investments in progress represented €12.3 million and mainly concerned:

- the Consumer Products business, for projects related to automotive equipment testing in China (€4.8 million);
- the *Agri-Food* & Commodities business, for projects related to oil markets in China (new laboratories and capacity extensions for €2 million), the Netherlands (capacity extensions for €3.5 million) and the United States (new laboratories and additional equipment for €2 million).

Main planned investments

The 2018 capital expenditure budget is around €156 million, higher than 2017 expenditure (€142 million).

4.4 Internal control and risk management procedures

Organization and general approach to internal control and risk management

Executive Management

Group Executive Management ensures that internal control objectives are set, particularly with respect to the control environment, risk assessment and management, internal control processes, reliable financial information and Group business management, based on the principles and organization previously defined by the Board of Directors.

Internal control as implemented within Group companies is based on the following principles:

- recognition of the full accountability of the management of Group companies;
- regular financial reporting system;
- monitoring of relevant indicators by the different Group departments; and
- regular and occasional reviews of specific items as part of a formal or one-off process.

However, adaptations have been made to this general framework on the basis of the following criteria:

- a flexibility criterion to allow the management of Group companies to effectively exercise their responsibilities; and
- a simplicity criterion so that the internal control process continues to be aligned with the size of the companies within the Group.

Audit & Risk Committee

In accordance with Article L. 823-19 of the French Commercial Code, the Audit & Risk Committee is chiefly responsible for monitoring the process of preparing financial information, the effectiveness of internal control and risk management systems and, where applicable, those of Internal Audit, and the independence of the Statutory Auditors.

After each meeting, the Chairman of the Audit & Risk Committee prepares a detailed report of the Committee's work, proposals and recommendations for the Board of Directors.

Details of the work of the Audit & Risk Committee during 2017 are provided in the section 3.1.6 – Board's Committees in this chapter.

Internal Audit

The role of the Internal Audit and Acquisitions Services department is to perform audits, principally financial audits, in the various entities of the Group. The entities to be audited are selected at the time of preparing the annual audit plan, which is discussed with Executive Management and validated by the Audit & Risk Committee. They are chosen primarily based on the risks identified, the resulting financial implications and previous internal or external audits. This formal, structured approach is designed to ensure an adequate audit coverage rate for the Group's entities over several years. In addition, the Internal Audit department oversees the Group's recently acquired entities and regularly liaises with the Legal, Risk & Compliance department as part of its work.

These audits are aimed at analyzing and verifying that management and reporting rules are duly applied, as well as reviewing the quality of the internal control environment. The main procedures and cycles covered are:

- observance of the Group's Compliance Program;
- sales and accounts receivable;
- purchasing and accounts payable;
- Human Resources;
- cash management; and
- financial statement closing procedures and reporting.

In addition, a review of the financial performance of the Group's businesses is conducted when each audit assignment is carried out to verify the consistency of all the financial information produced by the entity being audited. The audit reports are sent to the managers of the operating entities and to their superiors, the central operating departments and Group Executive Management. Where appropriate, audit reports set out short- and medium-term corrective action plans for improving the control environment.

The Internal Audit department systematically monitors implementation of the action plans drawn up following Internal Audit assignments through a dedicated software program accessible to the audited departments, and gives Executive Management a monthly progress update on the implementation of recommendations. In 2017, audited entities achieved an average recommendation implementation rate of above 80% for those issued by the Internal Audit department.

In addition to the annual audit program, the Internal Audit department heads up an internal control self-assessment campaign via the distribution of three types of questionnaires across the Group (see "Internal control procedures").

Central departments

The implementation of internal control procedures is the responsibility of the central departments in their respective areas of expertise, i.e., Legal, Risk & Compliance, Human Resources, Finance, Technical and Risk, and Quality, Health, Safety and Environment.

- The Legal, Risk & Compliance department provides advice and assistance for any legal, risk and compliance issues affecting the Group. It helps review calls for tender, major contracts and mergers and acquisitions, and analyzes or supervises Group litigation and claims as necessary. In close cooperation with operational staff and the Group's Technical and Risk department, the Legal, Risk & Compliance department helps identify the main risks associated with the Group's activities, particularly by overseeing risk maps, and circulates the Group's risk management policies and procedures. It is responsible for taking out the Group's professional civil liability and property and casualty insurance policies. It also defines, implements and supervises the Group's Compliance Program, which includes the Code of Ethics and its internal application procedures, a risk map relating to corruption and international sanctions, a whistleblowing procedure, specific training and regular internal and external audits.

- The Human Resources department circulates the evaluation and compensation policies applicable to Group managers and ensures that all Group employees are compensated and assessed on the basis of objective, predefined criteria.
- The Finance department consolidates all of the Group's financial information and manages the necessary reconciliations. It ensures that Group standards and frameworks are strictly applied, including the Group Management Manual (GMM). In this respect, it defines a series of procedures, tools and references intended to guarantee the quality and consistency of information provided (management reporting, financial statements). In particular, monthly reviews of results of operations, the net cash position and consolidation data allows financial and accounting information to be continually monitored and checked for consistency on a centralized basis.
- The Quality, Health, Safety and Environment department defines and oversees the Group’s quality, safety, security and environment management system. It ensures that the various operating groups implement management systems, leads the continuous improvement process and organizes the verification of compliance with procedures.
- The Technical and Risk departments across the operating groups are responsible for drawing up the technical risk management policy and verifying the technical quality of services provided, the technical qualification of organizations (overseeing operating rights and accreditations) and operators, and applying technical guidelines and methodologies rolled out by the Group. They rely on local networks to circulate procedures and verify that they are duly applied among operating entities. They are tasked with auditing the operating entities, defining any corrective actions required and ensuring that these actions are implemented.

Internal control procedures

Bureau Veritas has adopted the general principles of the AMF’s Reference Framework and has put in place a system that allows to cover all of the Group's subsidiaries. The aim is to provide them with a tool that they can use for internal control self-assessment and identify areas of improvement.

In compliance with the aforementioned AMF Reference Framework, three yearly self-assessment questionnaires on internal control are used by the Group’s Internal Audit department:

- two questionnaires are used at head office level and for certain cross-functional areas: one covers the general principles of internal control, while the other concerns financial and accounting internal control more specifically, and in particular how the finance and accounting functions are organized at central level, intended for support functions (particularly Finance); and
- one questionnaire covering the processes relating to the preparation of financial and accounting information is completed by the Group's operating entities.

This yearly self-assessment is designed to ensure compliance with the accounting principles defined in the Group Management Manual (GMM). It also allows the quality of existing control processes to be assessed and the requisite corrective measures to be implemented where necessary. At the time of each audit assignment, the Internal Audit department reviews the quality of the results of the self-assessment. External auditors also review the internal control system as part of their work.

Like any control system, it cannot provide an absolute guarantee that all risks have been eliminated.

Internal control and risk management

Financial and accounting information

In order to implement internal control procedures relating to the production of financial and accounting information, the Group refers to:

- **external standards** including all national accounting laws and regulations based on which Group entities prepare their financial statements. The Group prepares its consolidated financial statements under International Financial Reporting Standards (IFRS); and
- **internal standards** consisting of the Group’s organization manual and general quality procedures and the Group Management Manual (GMM), which covers all financial, accounting and tax procedures.

The role of the Finance department is to provide reliable information and pertinent analyses in a timely manner and to act as an expert with respect to financial and financing issues within the Group. The department is responsible for setting standards, consolidating results, managing cash and particularly hedging and exchange rate risks, managing tax issues and supervising credit risks. It also acts as a motivating force in certain improvement initiatives, such as the development of shared service centers.

The Finance department is assisted by a network of Finance Officers across the Group. These report to the heads of operating departments and from a functional standpoint, to the Group Chief Financial Officer.

Subsidiaries operating in different countries are responsible for implementing the policies, standards and procedures defined by the Group.

The budget process is structured in a way that enables objectives to be set at the level of business units. The resulting budget is therefore a highly effective oversight tool that can be used to closely monitor monthly activity at the level of each country/business. This monthly control of results from operations, the net cash position and consolidation data enables Executive Management to effectively monitor the Group’s financial performance.

The Group has also defined internal rules and procedures designed to safeguard assets, prevent and identify fraud, and ensure that accounting information is reliable and presents a true and fair view of the business.

Acquisitions Services

The Internal Audit & Acquisitions Services department also provides coordination and integration assistance on acquisitions. This role is formally set down in a series of procedures known as the Post Merger Integration Plan (PMIP), which is structured and updated around the following areas: Finance, Human Resources, Communication, Legal, Risk & Compliance, Technical and Risk, Information Systems and IT, and Quality, Health, Safety and Environment.

Where appropriate, the Internal Audit and Acquisitions Services department assists the operating groups responsible for integration and liaises with all head office support functions as part of a continuous improvement approach which builds on the experience acquired during each past operation.

Risk management

Organization

The Group's risk management policy is focused on the prevention of professional civil liability suits for damages relating to a product, system or facility in respect of which the Group's entities had provided services.

Risks are managed through a structured risk management organization rolled out within the Group's different operating groups. This organization is based on two complementary cross-functional networks and their respective departments: the Legal, Risk & Compliance department and the Technical and Risk department.

The broad range of local operations and the need to give managerial autonomy to operational staff have led to the introduction of a global risk prevention strategy, which has been formally set down and rolled out to each division and operating group.

Mapping and managing risk

The Group regularly prepares and updates risk maps under the supervision of the Legal, Risk & Compliance department, with help from all operating groups and support functions in order to identify and quantify the main risks and thereby improve risk management procedures. Specific, detailed action plans are drawn up and then implemented by operating staff under the supervision of the head office. Cross-functional initiatives, mainly relating to technical standards, monitoring regulations and global insurance programs, are also defined and implemented across the Group.

The operating departments also prepare targeted risk analyses when new business activities are launched or when the Group responds to calls for tender, assisted by the Technical and Risk departments and the Legal, Risk & Compliance department.

Within its networks, the Group's operational risk management policy aims to increase the number and specialization of technical centers. The Group wishes to develop "Bureau Veritas" technical standards that can be applied throughout the world, while satisfying the requirements of countries that apply the most stringent regulations.

Application of the risk management policy and the continual changes in services that the Group is asked to provide requires the commitment of local networks and risk management officers on all fronts (technical, quality, legal and compliance), thereby ensuring that they work together to reduce the risks of professional civil liability claims against the Group. The goal is to share the risk management approach and its objectives with operating teams, along with the information needed to take decisions consistent with the objectives set by the Board of Directors.

Identifying climate change-related financial risks

The main risks related to the Group's activities and financial risks are described in section 1.11 - Risk factors, page 57, and in section 2.4.3 - Limiting Bureau Veritas' environmental impact, page 92, of this Registration document. The Company did not identify any material climate change-related financial risks over the short term.

Preventing and monitoring litigation

The Legal, Risk & Compliance department has put in place resources and procedures to enable twice-yearly assessments of litigation (including, in 2017, a root cause analysis of major disputes) in conjunction with operating groups and the Finance department.

The procedure for preventing and monitoring litigation is covered in the risk management policy. It describes the methods for managing litigation which require coordination between heads of operating entities, the operating groups, and the Legal, Risk & Compliance department.

Each operating group defines the organization it has put in place to achieve the Group's objectives, in order to:

- identify disputes from the outset;
- make sure that the relevant insurers are informed of any litigation claims;
- organize an effective management approach regarding the defense of the Group's interests; and
- allow a centralized follow-up of significant litigation by the Legal, Risk & Compliance department.

The Group's policy of centralizing its professional civil liability and property and casualty insurance through global programs facilitates controls and reporting.

Monitoring accreditations – role of Technical and Risk departments

Bureau Veritas holds a large number of "licenses to operate" (accreditations, authorizations, delegations of authority, etc.) which may be issued by national governments, public or private authorities, and national or international organizations as appropriate.

Each of the Group's divisions has put in place a dedicated organization for managing and monitoring these accreditations on a centralized basis. The accreditations are regularly audited by the authorities concerned.

The aim of the Technical and Risk departments is to ensure that the services provided by each Group entity are carried out in compliance with Bureau Veritas procedures, particularly management of conflicts of interest, as regards the application of technical guidelines and methods defined by the Group, and in accordance with the regulatory or private terms of reference of the accrediting organization.

The Group has implemented an operating organization for which the degree of centralization depends on the business:

- in businesses that are managed globally and that offer similar services (Marine & Offshore, Certification, Consumer Products and Government Services, Industry), the Technical and Risk departments are centralized and provide the procedures and rules to be applied throughout the world;
- in businesses that are managed locally and provide their services based on local technical standards, local Technical and Risk Officers specify the methods to be applied in their country/region under the aegis of a central Technical department.

The various Technical and Risk departments use a structured network of Officers in each operating group and each year perform a certain number of technical audits to ensure that procedures are complied with and that the rules defined by the Group and the methodologies defined locally are respected.

Quality and ISO certification

The Quality, Health, Safety and Environment department is responsible for implementing and managing a quality system that supports the operating and functional entities in their aim to continually improve the processes that these entities have put in place to meet their clients' needs. These procedures have been certified to ISO 9001 by an accredited international body.

To this end, the Quality, Health, Safety and Environment department has a structured network of managers around the world and at central level.

Human Resources

The Group's Human Resources (HR) department ensures that manager compensation and evaluation policies are consistent and fair, while taking into account any particular characteristics of the local environment. The process of managing the performance of managers is defined by the Group, which verifies that it is deployed across the network. This ensures that managers are evaluated and compensated according to known, objective criteria. The Group's HR department has put in place career management processes to foster the emergence of high-potential employees and help staff development in general. All data relating to these Group HR processes are managed in an integrated software package.

Changes in the total payroll are managed by the Group. These are analyzed every year as part of the budget process to ensure they are mitigated. Key indicators such as the attrition rate are monitored regularly by the Group HR department and action plans are implemented in conjunction with the network of HR managers.

Compliance Program

The Group's active risk management policy is underpinned by a series of values and ethical principles that are shared by all employees. In 2003 Bureau Veritas, a member of the International Federation of Inspection Agencies (IFIA), adopted a Code of Ethics applicable to all of the Group's employees. In compliance with IFIA requirements, this Code of Ethics sets forth the ethical values, principles and rules on which Bureau Veritas wishes to base its development and growth and to build relationships of trust with its clients, staff, and commercial partners.

Bureau Veritas assisted in the roll-out of its Code of Ethics by putting in place the Compliance Program, a special ethics-focused program, of which it is an integral component. The Compliance Program aims to (i) fight against corruption, (ii) monitor the integrity of Bureau Veritas services, (iii) prevent conflicts of interest, and (iv) comply with applicable antitrust and market regulations. The Group ensures that the program is effectively deployed and monitored, and it is regularly broadened to take into account important legislative and regulatory changes.

The Compliance Program includes a Code of Ethics (available in 32 languages), a manual of internal procedures (available in six languages), a compulsory training program for all staff worldwide (available primarily as an e-learning module in 16 languages and supplemented by local training and awareness-raising initiatives), a whistleblowing procedure for internal and external ethics violations, a risk mapping process, internal and/or external assessment procedures for commercial partners coupled with an information database and sample contracts, accounting control procedures with the allocation of specific accounts for regulated transactions (gifts, donations, etc.), and regular control and assessment processes, which are mainly conducted via an annual self-assessment campaign and rounded out by internal and external audits.

The Compliance Program's e-learning module is rolled out by a dedicated network of Human Resources managers. A regular reporting system has been put in place under the supervision of this network, which monitors the number of employees trained in the Compliance Program each quarter. The aim is to cover 100% of the Group's worldwide employees.

The Group's Ethics Committee, whose members are appointed by the Board of Directors, comprises the Chief Executive Officer, the Chief Financial Officer, the Human Resources Director and the Group Compliance Officer. The Committee oversees the implementation of the Compliance Program and deals with all of the Group's ethics issues.

The Group Compliance Officer uses a network of Compliance Officers who act as intermediaries in the Group's operating groups.

In the operating groups, each unit manager is responsible for the application of the Compliance Program by the staff under his/her authority, and is supervised and managed by the heads of the operating groups to which he/she reports. For this purpose, it is the responsibility of each operating group head to provide a copy of the Code of Ethics to his/her staff, to oversee their training and inform them of their duties in simple, practical and concrete terms, and to leave them in no doubt that any failure to comply with the Compliance Program will constitute a serious breach of their professional obligations.

Any alleged breach of the Code of Ethics must be brought to the attention of the Group Compliance Officer who draws up a related file and refers the matter to the Ethics Committee so that the necessary measures can be taken. An internal or external investigation is carried out and, depending on the findings, sanctions may be imposed, including the possible dismissal of the employees in question.

Internal and external audits are conducted each year on the application of and compliance with the principles of the Code of Ethics, and a statement of compliance is issued by an independent audit firm and sent to the IFIA's Compliance Committee.

A detailed description of the Compliance Program appears in section 2.2.1 – Ethics: an "absolute" of this Registration document. These measures are designed to prevent any actions that are incompatible with the Group's ethical principles. Although it endeavors to be vigilant in this regard, no guarantee can be given that these measures are, or have been, complied with in all places and circumstances.

Changes in internal control and risk management procedures

In the next few years, the Group will aim for better coordination and integration between different stakeholders, covering internal audits, external financial audits, internal quality audits, health and safety audits, audits by accreditation authorities, compliance audits and technical audits.

In terms of risk management, the Group will continue its efforts to regularly adapt the risk map methodology in line with changes in the Group's environment, businesses and organization.

4.5 Events after the end of the reporting period

Acquisition of Lubrication Management SL

On January 4, 2018, the Group announced that it had acquired a controlling interest in Lubrication Management SL (previously the industrial oil analysis business unit of IK4-TEKNIKER, a European oil analysis leader. The laboratory, near Bilbao, Spain, will be the European hub for Bureau Veritas' global network of oil condition monitoring laboratories. Lubrication Management SL has 26 employees and generated around €4 million in revenue in 2017. As part of their strategic partnership, Bureau Veritas and IK4-TEKNIKER will also engage in the research and development of machinery condition monitoring.

Acquisitions of EMG Corporation

On March 1, 2018, Bureau Veritas completed the acquisition of EMG Corporation (EMG), a US leader in construction technical assessment and project management assistance, asset management assistance and transaction services. The Company offers clients a broad range of services around the life cycle of their facilities including engineering and environmental assessments upon acquisition or financing, capital planning, with program and project management assistance. EMG serves real estate owners, retailers, commercial lenders, and government entities and has a track record of more than a million completed projects across all 50 states in the United States. EMG has around 550 employees and generated around €70 million revenue in 2017. EMG expands Bureau Veritas' buildings and infrastructure service offering in the United States, strengthening the Group's position as a leading strategic partner for construction and renovation inspection, quality assurance, asset management, periodic in-service inspection, and project management.

4.6 Significant changes in financial and trading conditions

None.

4.7 2018 Outlook

For full-year 2018, the Group expects:

- An acceleration in organic growth revenue compared to full-year 2017;
- A slightly improved adjusted operating margin at constant currency compared to full-year 2017;
- An improved cash flow generation at constant currency compared to full-year 2017.

5

Financial statements AFR

Components of the Annual Financial Report are identified in this table of contents with the sign AFR

5.1 Consolidated financial statements

Consolidated income statement

(in millions of euros, except per share data)	Notes	2017	2016
Revenue	**7**	**4,689.4**	**4,549.2**
Purchases and external charges	8	(1,394.1)	(1,340.3)
Personnel costs	8	(2,449.0)	(2,349.9)
Taxes other than on income		(46.4)	(44.8)
Net (additions to)/reversals of provisions	8	(11.5)	(31.7)
Depreciation and amortization	13/14	(203.7)	(202.4)
Other operating income and expense, net	8	21.6	29.6
Operating profit		**606.3**	**609.7**
Share of profit of equity-accounted companies	15	0.6	0.8
Operating profit after share of profit of equity-accounted companies		**606.9**	**610.5**
Income from cash and cash equivalents		1.3	2.9
Finance costs, gross		(88.1)	(92.8)
Finance costs, net		**(86.8)**	**(89.9)**
Other financial income and expense, net	9	(16.9)	3.4
Net financial expense		**(103.7)**	**(86.5)**
Profit before income tax		**503.2**	**524.0**
Income tax expense	10	(164.8)	(188.9)
Net profit from continuing operations		**338.4**	**335.1**
Net profit (loss) from discontinued operations	**30**	**(8.6)**	**-**
Net profit		**329.8**	**335.1**
Non-controlling interests		21.8	15.7
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		**308.0**	**319.4**
Earnings per share *(in euros)*:			
Basic earnings per share	31	0.71	0.73
Diluted earnings per share	31	0.70	0.73

Consolidated statement of comprehensive income

(€ millions)	Notes	December 2017	December 2016
Net profit		**329.8**	**335.1**
Other comprehensive income			
Items to be reclassified to profit			
Currency translation differences[(a)]		(217.1)	53.2
Cash flow hedges[(b)]		0.6	(0.8)
Tax effect on items to be reclassified to profit	10	(0.2)	0.3
Total items to be reclassified to profit		**(216.7)**	**52.7**
Items not to be reclassified to profit			
Actuarial gains/(losses)[(c)]	26	(3.4)	(19.1)
Tax effect on items not to be reclassified to profit	10	2.2	3.6
Total items not to be reclassified to profit		**(1.2)**	**(15.5)**
Total other comprehensive income/(expense), after tax		**(217.9)**	**37.2**
TOTAL COMPREHENSIVE INCOME		**111.9**	**372.3**
Attributable to:			
owners of the Company		94.8	356.4
non-controlling interests		17.1	15.9

(a) Currency translation differences: this item includes exchange differences arising on the conversion of the financial statements of foreign subsidiaries into euros. The differences result mainly from fluctuations during the period in the Hong Kong dollar (€22.2 million), Brazilian real (€20.8 million), US dollar (€20.1 million), Singapore dollar (€17.1 million), and the Canadian dollar (€16.8 million).

(b) The change in cash flow hedges results from changes in the fair value of derivative financial instruments eligible for hedge accounting.

(c) Actuarial gains and losses: the Group recognizes actuarial gains and losses arising on the measurement of pension plans and other long-term employee benefits in equity. These actuarial differences reflect the impact of experience adjustments and changes in valuation assumptions (discount rate, salary inflation rate and rate of increase in pensions) regarding the Group's obligations in respect of defined benefit plans.

The negative amount shown (€3.4 million) relates chiefly to actuarial losses of €4.4 million booked in France.

Consolidated statement of financial position

(€ millions)	Notes	December 2017	December 2016
Goodwill	11	1,965.1	1,977.6
Intangible assets	13	640.2	686.8
Property, plant and equipment	14	486.3	518.6
Investments in equity-accounted companies	15	4.6	5.0
Deferred income tax assets	16	138.4	142.9
Investments in non-consolidated companies	17	1.3	1.3
Other non-current financial assets	18	118.4	69.2
Total non-current assets		**3,354.3**	**3,401.4**
Trade and other receivables	20	1,573.1	1,496.1
Current income tax assets		52.8	48.9
Current financial assets	18	20.3	51.0
Derivative financial instruments	19	3.8	3.7
Cash and cash equivalents	21	364.3	1,094.1
Total current assets		**2,014.3**	**2,693.8**
Assets held for sale	30	1.2	-
TOTAL ASSETS		**5,369.8**	**6,095.2**
Share capital	22	53.0	53.0
Retained earnings and other reserves		936.1	1,144.4
Equity attributable to owners of the Company		989.1	1,197.4
Non-controlling interests		43.6	45.6
Total equity		**1,032.7**	**1,243.0**
Non-current borrowings and financial debt	24	2,240.0	2,492.9
Derivative financial instruments	19	6.7	8.1
Other non-current financial liabilities	25	120.2	74.8
Deferred income tax liabilities	16	143.3	164.8
Pension plans and other long-term employee benefits	26	190.1	178.3
Provisions for liabilities and charges	27	109.6	121.6
Total non-current liabilities		**2,809.9**	**3,040.5**
Trade and other payables	28	1,119.8	1,041.5
Current income tax liabilities		73.6	66.4
Current borrowings and financial debt	24	209.0	589.5
Derivative financial instruments	19	9.7	8.0
Other current financial liabilities	25	114.1	106.3
Total current liabilities		**1,526.2**	**1,811.7**
Liabilities held for sale	30	1.0	-
TOTAL EQUITY AND LIABILITIES		**5,369.8**	**6,095.2**

Consolidated statement of changes in equity

(€ millions)	Share capital	Share premium	Currency translation reserves	Other reserves	Total equity	Attributable to owners of the Company	Attributable to non-controlling interests
At December 31, 2015	**53.0**	**43.9**	**(70.3)**	**1,098.3**	**1,124.9**	**1,095.3**	**29.6**
Capital reduction	-	(3.0)	-	-	(3.0)	(3.0)	
Exercise of stock options	-	1.4	-	-	1.4	1.4	
Fair value of stock options	-	-	-	27.4	27.4	27.4	-
Dividends paid	-	-	-	(234.7)	(234.7)	(222.8)	(11.9)
Treasury share transactions	-	-	-	(39.1)	(39.1)	(39.1)	
Additions to the scope of consolidation	-	-	-	12.4	12.4		12.4
Acquisition of non-controlling interests	-	-	-	(3.4)	(3.4)	(3.4)	-
Other movements[(a)]	-	-	-	(15.2)	(15.2)	(14.8)	(0.4)
Total transactions with owners	**-**	**(1.6)**	**-**	**(252.6)**	**(254.2)**	**(254.3)**	**0.1**
Net profit				335.1	335.1	319.4	15.7
Other comprehensive income			53.2	(16.0)	37.2	37.0	0.2
Total comprehensive income	**-**	**-**	**53.2**	**319.1**	**372.3**	**356.4**	**15.9**
At December 31, 2016	**53.0**	**42.3**	**(17.1)**	**1,164.8**	**1,243.0**	**1,197.4**	**45.6**
Capital reduction	-	(6.3)	-	-	(6.3)	(6.3)	
Exercise of stock options	-	3.1	-	-	3.1	3.1	
Fair value of stock options	-	-	-	19.0	19.0	19.0	-
Dividends paid	-	-	-	(255.5)	(255.5)	(239.8)	(15.7)
Treasury share transactions	-	-	-	(30.5)	(30.5)	(30.5)	
Additions to the scope of consolidation	-	-	-	13.8	13.8	-	13.8
Other movements[(a)]	-	-	-	(65.8)	(65.8)	(48.6)	(17.2)
Total transactions with owners	**-**	**(3.2)**	**-**	**(319.0)**	**(322.2)**	**(303.1)**	**(19.1)**
Net profit				329.8	329.8	308.0	21.8
Other comprehensive income			(217.1)	(0.8)	(217.9)	(213.2)	(4.7)
Total comprehensive income	**-**	**-**	**(217.1)**	**329.0**	**111.9**	**94.8**	**17.1**
AT DECEMBER 31, 2017	**53.0**	**39.1**	**(234.2)**	**1,174.8**	**1,032.7**	**989.1**	**43.6**

(a) The "Other movements" line mainly relates to:

- *changes in the fair value of put options on non-controlling interests;*
- *transfers of reserves between the portion attributable to owners of the Company and the portion attributable to non-controlling interests.*

Consolidated statement of cash flows

(€ millions)	Notes	December 2017	December 2016
Profit before income tax		503.2	524.0
Elimination of cash flows from financing and investing activities		103.8	61.1
Provisions and other non-cash items		(0.3)	57.9
Depreciation, amortization and impairment	13/14	203.7	202.4
Movements in working capital attributable to operations	29	(59.5)	(37.2)
Income tax paid		(169.7)	(213.8)
Net cash generated from operating activities		**581.2**	**594.4**
Acquisitions of subsidiaries	12	(164.8)	(189.8)
Proceeds from sales of subsidiaries and businesses	12	-	0.7
Purchases of property, plant and equipment and intangible assets		(142.3)	(156.6)
Proceeds from sales of property, plant and equipment and intangible assets		8.9	10.7
Purchases of non-current financial assets		(32.2)	(10.7)
Proceeds from sales of non-current financial assets		10.3	19.3
Change in loans and advances granted		7.3	1.0
Dividends received from equity-accounted companies		0.7	0.5
Net cash used in investing activities		**(312.1)**	**(324.9)**
Capital increase	22	3.4	1.0
Purchases/sales of treasury shares		(36.8)	(42.8)
Dividends paid		(295.4)	(255.1)
Increase in borrowings and other financial debt	24	172.6	742.5
Repayment of borrowings and other financial debt	24	(717.0)	(35.9)
Repayment of amounts owed to shareholders		(3.4)	(13.3)
Interest paid		(98.2)	(86.0)
Other		(0.3)	-
Net cash generated from (used in) financing activities		**(975.1)**	**310.4**
Impact of currency translation differences		(27.7)	(2.6)
Impact of change in accounting policies		0.2	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(733.5)**	**577.3**
Net cash and cash equivalents at beginning of year		1,088.0	510.8
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		**354.5**	**1,088.1**
Of which cash and cash equivalents	21	364.3	1,094.1
Of which bank overdrafts	24	(9.8)	(6.0)

Notes to the consolidated financial statements

Note 1 General information

Since it was formed in 1828, Bureau Veritas has developed recognized expertise for helping its clients to comply with standards and/or regulations on quality, health and safety, security, the environment and social responsibility. The Group specializes in inspecting, testing, auditing and certifying the products, assets and management systems of its clients in relation to regulatory or self-imposed standards, and subsequently issues compliance reports.

Bureau Veritas SA ("**the Company**") and all of its subsidiaries make up the Bureau Veritas Group ("**Bureau Veritas**" or "**the Group**").

Bureau Veritas SA is a joint stock company (*société anonyme*) incorporated and domiciled in France. The address of its registered office is Immeuble Newtime, 40/52 Boulevard du Parc, 92200 Neuilly-sur-Seine, France.

Between 2004 and October 2007, the Group was more than 99%-owned by Wendel. On October 24, 2007, 37.2% of Bureau Veritas SA shares were admitted for trading on the Euronext Paris market.

At December 31, 2017, Wendel held 40.08% of the capital of Bureau Veritas and 56.76% of its exercisable voting rights.

These consolidated financial statements were adopted on February 28, 2018 by the Board of Directors.

Note 2 Significant events in 2017

Acquisitions

In 2017, the main acquisitions carried out by the Group were:

- Shanghai Project Management Co. Ltd.., a Chinese company specialized in construction project supervision;
- Siemic, Inc., a US-based testing and certification body for electrical and electronic equipment;
- Schutter Groep BV, a provider of Inspection, Testing, Certification and logistical support services to the global agri-commodities markets;
- California code Check, Inc., a US company specialized in construction code compliance and building safety;
- Primary Integration Solutions, Inc., a US company building commissioning and operational risk management services for data center facilities;
- IPS Tokai Corporation, a Japanese company specializing in automotive electromagnetic compatibility testing;
- Ingeneria, Control y Administracion, SA de C.V. ("INCA"), a Mexican company specialized in technical supervision of building and infrastructure projects;
- ICTK Co. Ltd., a South Korean company specialized in smart payment testing and certification services for mobile devices, payment cards and point-of-sales terminals;
- McKenzie Group Pty Ltd., an Australia-based company providing mandatory property compliance services.

Further details of these acquisitions, along with their impacts on the financial statements, are detailed in Note 12 – Acquisitions and disposals.

Financing

The Group refinanced debt for a total amount of USD 355 million at fixed rates. This transaction on the US private placement market enabled the Group to extend the maturity of its debt by ten years:

- USD 155 million for Bureau Veritas SA as from 2018;
- USD 200 million for Bureau Veritas Holdings, Inc. as from 2017.

Dividend payout

On May 22, 2017, the Group paid out dividends on eligible shares totaling €239.8 million in respect of 2016.

Note 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are described below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Basis of preparation

The Group's consolidated financial statements for the years ended December 31, 2017 and December 31, 2016 were prepared in accordance with International Financial Reporting Standards (IFRS) as defined by the International Accounting Standards Board (IASB) and adopted by the European Union (see the relevant European Commission regulations at http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:3208R1126).

They were prepared based on the historical cost convention, except in the case of financial assets and liabilities measured at fair value through profit or loss or equity such as marketable securities and derivative financial instruments.

The preparation of financial statements in compliance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment when applying the Group's accounting policies. The most significant accounting estimates and judgments used in the preparation of the consolidated financial statements are disclosed in Note 6 – Use of estimates.

IFRS – new standards/ amendments to existing standards

As from January 1, 2017, the Group applies the following new or amended standards:

- Amendment to IAS 12, Recognition of Deferred Tax Assets for Unrealized Losses, effective for accounting periods beginning on or after January 1, 2017. This amendment clarifies the method for determining the existence of future taxable profits as the basis for recognizing deferred tax assets. It had no impact on the 2017 consolidated financial statements;
- Amendment to IAS 7, Disclosure Initiative, effective for accounting periods beginning on or after January 1, 2017. This amendment sets out required additional disclosures about changes in liabilities arising from financing activities on the statement of financial position (particularly changes in liabilities not settled in cash). These disclosures are included in Note 24 – Borrowings and financial debt.

The following new standards, amendments to existing standards and interpretations have been adopted by the European Union and are available for early adoption in accounting periods beginning on or after January 1, 2017:

- IFRS 15, Revenue from Contracts with Customers, effective for accounting periods beginning on or after January 1, 2018.

  Under this new standard, revenue is recognized when control of the goods or services is transferred to the customer. The impact and method of first-time application of IFRS 15 are described in Note 3.14 – Revenue recognition;
- IFRS 9, Financial Instruments, effective for accounting periods beginning on or after January 1, 2018.

IFRS 9 deals with (i) the classification, measurement and derecognition of financial assets and liabilities (ii) introduces new hedge accounting rules (iii) and sets out a new financial asset impairment model.

The Group considers that IFRS 9 will not impact the measurement of its financial assets, the recognition of its financial liabilities (i) or its hedge accounting (ii). In terms of the new impairment model based on expected losses and no longer solely on identified losses as under IAS 39 (iii), the Group expects an increase of around 36% in the provision for impairment of trade receivables.

The Group will apply IFRS 9 retrospectively as of January 1, 2018. Data for the comparative 2017 accounting period will not be restated:

- IFRS 16, Leases, effective for accounting periods beginning on or after January 1, 2019.

  Under the new standard, an asset (right to use a leased item) and a related liability are recognized on the statement of financial position for virtually all leases. The only exceptions concern short-term leases or leases of low-value items. Details of the impact of IFRS 16 are provided in Note 33 – Off-balance sheet commitments and pledges.

The following new and/or amended standards and interpretations effective for accounting periods beginning on or after January 1, 2017 are not relevant to the Group's operations and have not therefore been applied:

- IFRS 12, Disclosure of Interests in Other Entities, effective for accounting periods beginning on or after January 1, 2017;
- Amendments to IFRS 4, Insurance Contracts, effective for accounting periods beginning on or after January 1, 2018.

Work in progress at the IASB and the IFRIC

The Group is monitoring the work of the IASB and the IFRIC that could lead to a change in the treatment of put options on non-controlling interests. Based on the IFRIC's Draft Interpretation of May 31, 2012, changes in the carrying amount of liabilities relating to put options on non-controlling interests must be recognized in profit or loss in line with IAS 39 and IFRS 9. In the absence of specific IFRS guidance, the Group applies the recommendations put forward by the French financial markets authority (*Autorité des marchés financiers – AMF*) in November 2009, which state that the difference between the exercise price of put options on non-controlling interests and the carrying amount of non-controlling interests is to be shown as a reduction of equity attributable to owners of the Company.

New principles

None.

Principles requiring management input

3.2 Segment information

Segments are defined in accordance with IFRS 8. Reportable segments correspond to operating segments identified in the management data reported each month to the chief operating decision maker. The Group's chief operating decision maker is its Chief Executive Officer.

3.3 Operating profit

"Operating profit" in the consolidated income statement represents all income and expenses that do not result from financing activities, taxes, or equity-accounted companies, and which do not meet the definition of held for sale set out in IFRS 5. Operating profit includes income and expenses relating to acquisitions (amortization of intangible assets, impairment of goodwill, gains and losses on disposals and discontinued operations, acquisition fees, earn-out payments) and other items considered to be non-recurring.

Key principles in light of the Group's business activities or financial position

3.4 Fair value estimates

The fair value of financial instruments traded on an active market (such as derivatives and investments in respect of government contracts) is based on the listed market price at the end of the reporting period. This method corresponds to level 1 in the fair value hierarchy set out in IFRS 7.

The fair value of financial instruments not traded on an active market (e.g., over-the-counter derivatives) is determined using valuation techniques. The assumptions used in such calculations are based on either directly observable inputs such as prices or indirectly observable inputs such as price-based data. This method corresponds to level 2 in the fair value hierarchy set out in IFRS 7.

The fair value of financial instruments not based on observable market data (unobservable inputs) is determined based on information available within the Group. This method corresponds to level 3 in the fair value hierarchy set out in IFRS 7.

The levels of the fair value hierarchy used to price financial instruments are set out in Note 34 – Additional financial instrument disclosures.

3.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the acquired entity's net identifiable assets at the acquisition date, and is presented on a separate line in the statement of financial position.

Any residual unallocated goodwill following an acquisition may be adjusted within 12 months of the acquisition date when the process of allocating the purchase price to the fair value of the acquiree's identifiable assets and liabilities is completed.

Goodwill is carried at cost less any accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is not amortized but is tested annually for impairment.

For the purpose of impairment testing, goodwill is allocated to cash-generating units ("**CGUs**") or to groups of CGUs. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

In 2017, the Group decided to align its CGUs with its segment reporting (by business) and to no longer monitor certain CGUs by region. Bureau Veritas has gradually evolved by structuring its businesses by global customer segment with a view to better supporting and serving its customers both in France and across the world. It has also put in place global functions in order to optimize and standardize processes associated with its service offering and functional activities.

In light of this global management approach, the Group allocates goodwill to each business segment in which it operates.

Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired (see Note 11 – Goodwill).

The Group applies the principles set out in IAS 36, especially IAS 36.97 and IAS 36.98. CGUs included within groups of CGUs are tested individually for impairment, before testing the Group to which they belong.

Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired (see Note 11 – Goodwill). When there is an indication that an asset included in a CGU may be impaired, that asset is first tested for impairment and any loss in value recognized, before testing the CGU to which it belongs. Similarly, any losses in value of a CGU are recognized before testing the group of CGUs to which the goodwill is allocated.

Any impairment losses are recognized in the currency of the related goodwill, which corresponds to the currency of the acquired entities. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold at the date of the sale.

3.6 Intangible assets

Intangible assets include the following items:

- customer relationships, brands, concessions, accreditations and non-competition agreements acquired as part of a business combination;
- computer software purchased externally or developed in-house.

Start-up and research costs are expensed as incurred.

Customer relationships, brands, concessions, accreditations and non-competition agreements acquired as part of a business combination

Customer relationships, brands, concessions and non-competition agreements acquired as part of a business combination are recognized at historical cost, less any accumulated amortization. Historical cost corresponds to the fair value of the assets concerned at the acquisition date.

The fair value and useful life of these assets are generally determined at the acquisition date by independent experts in the case of material acquisitions, and internally for all other acquisitions. They are adjusted where appropriate within 12 months of that date. The amortization expense is calculated as from the acquisition date.

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives were as follows at the end of the reporting period:

Customer relationships	Between 5 and 20 years
Brands	Between 5 and 15 years
Concessions	7 years
Non-competition agreements	Between 2 and 3 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. If the carrying amount of an item of property, plant and equipment exceeds its recoverable amount, it is written down to the estimated recoverable amount (see Note 3.7 – Impairment of non-financial assets).

Software

Costs incurred in respect of acquired computer software and software development are capitalized on the basis of the costs incurred to acquire, develop and bring the specific software into use. These costs include borrowing costs directly attributable to the acquisition or production of the software arising in the period preceding the one in which they are brought into service. They are amortized on a straight-line basis or on the basis of production units when the future economic benefits resulting from the software will not be consumed on a linear basis but according to use (estimated in number of users). Amortization is charged over the estimated useful life of the software, not to exceed 12 years.

Costs associated with software maintenance are expensed as incurred.

3.7 Impairment of non-financial assets

Assets that have an indefinite useful life such as goodwill are not subject to amortization but are tested annually for impairment. Amortizable assets are reviewed for impairment whenever specific events have occurred indicating that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs or groups of CGUs).

Impairment tests may be performed if there are indications that the assets have suffered a loss in value. Such indications include:

- the loss of one or more major contracts for the CGU;
- where the CGU's performance proves significantly worse than expected;
- where significant changes with an adverse effect on the CGU have taken place in the technological, market, economic or legal environment in which it operates.

An impairment loss is recognized for the amount by which the carrying amount of a CGU or group of CGUs exceeds its recoverable amount. The recoverable amount of a CGU or group of CGUs corresponds to the higher of its fair value less costs to sell and its value in use. Impaired non-financial assets other than goodwill are reviewed at the end of each annual or interim reporting period to determine whether the impairment should be reversed. Fair value less costs to sell is estimated based on past experience, by reference to a multiple of operating profit adjusted for other operating income and expense and amortization expense recognized in respect of intangible assets arising from business combinations.

Note 11 – Goodwill, sets out the methods and main assumptions used for carrying out goodwill impairment tests.

3.8 Income tax expense

Deferred income tax is recognized using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, no deferred income tax is accounted for if it arises from the initial recognition of goodwill or an asset or liability in a transaction – other than a business combination – that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income taxes are determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax loss carryforwards can be utilized.

Deferred income tax assets and liabilities are assessed on a taxable entity basis, which may include several subsidiaries in one country, and are offset at the level of the same taxable entity.

The CVAE tax (*cotisation sur la valeur ajoutée des entreprises*) is shown in income tax expense.

3.9 Derivative financial instruments

Derivatives held for trading purposes

The Group may use derivatives such as interest swaps and collars in order to hedge its exposure to changes in interest rates on borrowings.

Contracts that do not meet the hedge accounting criteria set out in IAS 39 are designated as assets and liabilities at fair value through profit or loss. They are measured at fair value, with changes in fair value recognized in "Other financial income and expense, net" in the income statement. The accounting treatment of contracts that meet the criteria for designation as cash flow hedges under IAS 39 is described in the section on cash flow hedges below.

Cash flow hedges

When a derivative is designated as an instrument hedging the variability of cash flows associated with a recognized asset or liability, or a highly probable forecast transaction, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity. The gain or loss recognized directly in equity is reclassified to profit or loss in the same period or periods during which the hedged transaction itself affects profit or loss (such as in the periods that the foreign exchange gain or loss is recognized). The portion of the gain or loss relating to the ineffective portion of the hedge is recognized immediately in profit or loss.

To hedge the currency risk on borrowings taken out in US dollars and pounds sterling, the Group entered into currency swaps in 2008. These transactions have been designated as cash flow hedges since inception, as they meet all of the hedge accounting criteria set out in IAS 39.

3.10 Financial liabilities

Borrowings

Borrowings are initially recognized at fair value net of transaction costs incurred, and subsequently stated at amortized cost.

Interest on borrowings is recorded in the income statement under "Finance costs, gross" using the effective interest method. Debt issuance costs are recorded as a reduction of the carrying amount of the related debt and are amortized through profit or loss over the estimated term of the debt using the effective interest method.

Borrowings are classified as current liabilities in the statement of financial position unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period, in which case they are classified as non-current.

Liabilities relating to put options granted to holders of non-controlling interests

Put options granted to holders of non-controlling interests in subsidiaries that do not transfer the related risks and rewards give rise to the recognition of a liability for the present value of the most likely exercise price calculated using a risk-free interest rate. This debt is recognized within financial liabilities; the adjusting entry is posted to equity attributable to non-controlling interests for the carrying amount and to equity attributable to owners of the Company for the residual balance.

In the absence of specific IFRS guidance, the Group complies with the recommendations issued by the AMF in 2009. Accordingly, subsequent changes in the liability are also recognized in equity attributable to non-controlling interests for their carrying amount and in equity attributable to owners of the Company for the residual balance (including the impact of unwinding the discount).

The corresponding cash flows are presented as relating to financing activities in the statement of cash flows.

The liabilities are classified under current financial liabilities, except where payment is likely to take place at least 12 months after the end of the reporting period, in which case they are classified as non-current items.

3.11 Pension plans and other long-term employee benefits

The Group's companies have various long-term obligations towards their employees for termination benefits, pension plans and long-service awards.

The Group has both defined benefit and defined contribution plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a designated pension fund. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations in excess of these contributions. The contributions are recognized in personnel costs when they fall due. Prepaid contributions are recognized as an asset to the extent that they result in a cash refund or a reduction in future payments.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. An example is a plan that defines the amount of the pension an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows based on the yield on investment-grade corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions when estimating pension obligations are recognized in equity in the consolidated statement of comprehensive income in the period in which they arise.

3.12 Provisions for liabilities and charges

Provisions for liabilities and charges are recognized when the Group considers that at the end of the reporting period it has a present legal obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The costs the Group ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of the disputes. Provisions for claims and disputes whose outcome will only be known in the long term are measured at the present value of the expenditures expected to be required to settle the obligation concerned, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized in "Other financial income and expense, net" in the income statement.

3.13 Share-based payment

In 2007, the Group awarded stock subscription options and set up new long-term compensation plans in connection with its initial public offering (IPO). These plans have been in place since 2008. The Group applies IFRS 2, Share-based Payment to stock subscription option plans set up in 2007 in connection with the IPO, and to the plans put in place since 2008 and described below.

Share-based payment plans set up since 2008

Stock purchase and subscription options

The fair value of the employee services received in exchange for the award of stock options is recognized as an expense, with an adjusting entry to equity. The total amount expensed over the vesting period of the rights under these awards is calculated by reference to the fair value of the options awarded at the grant date. The resulting expense takes into account the estimated option cancellation ratio and, where appropriate, any non-market vesting conditions (such as profitability and sales growth targets).

The assumptions used to value the Group's stock options are described in Note 23 – Share-based payment.

The proceeds received net of any directly attributable transaction costs are credited to share capital for the nominal value and to share premium for the balance when the options are exercised.

Performance share awards

Performance shares are accounted for in the same way as stock subscription options.

3.14 Revenue recognition

Revenue represents the fair value net of tax of the consideration received or receivable for services rendered by Group companies in the ordinary course of their business, after elimination of intra-group transactions. The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

The majority of the Group's contracts give rise to a large number of very short-term projects in a single contract. The Group recognizes revenue from these contracts using a percentage-of-completion method based on the completion of each project.

Other contracts cover longer-term projects, especially in the Marine & Offshore, Buildings & Infrastructure businesses (see Note 7 – Segment information). For these contracts, the Group uses the percentage-of-completion method based on costs incurred (cost to cost method) to determine the amount of revenue to be recognized during a given period, to the extent the outcome of the contracts concerned can be reliably estimated. The percentage of completion is determined by reference to the contract costs incurred up to the end of the reporting period as a percentage of the estimated total costs for the contract. This percentage of completion, applied to the total estimated margin on the contract, represents the margin to be recognized in that period. If the estimated margin is negative, a provision for other liabilities and charges is recorded for the entire estimated amount of the contract.

IFRS 15, Revenue from Contracts with Customers

Based on an analysis of IFRS 15 accounting principles applicable to the main types of contracts in each of its six sectors, the Group did not identify a material impact at January 1, 2018, notably in terms of the date of revenue recognition. In most cases, revenue under contracts containing an enforceable right to payment or meeting the condition that another entity would not need to re-perform the work the entity has completed at the end of the reporting period, continues to be recognized using the percentage-of-completion method. The Group intends to apply the modified retrospective approach in which the impact of first-time application of the standard is recognized in retained earnings at January 1, 2018 and figures for the current period are not restated.

Standard principles applicable

3.15 Basis of consolidation

Subsidiaries are all entities controlled by the Group and are fully consolidated.

The Group considers it has control over a subsidiary (investee) when:

- it has power over the investee;
- it is exposed, or has rights, to variable returns from its involvement with the investee; and
- it has the ability to affect the amount of those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are removed from the scope of consolidation as of the date control ceases.

The acquisition method is used to account for acquisitions of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. For each acquisition, the Group measures non-controlling interests either at fair value or at their share in net identifiable assets. The excess of the cost of an acquisition plus any non-controlling interests in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recognized as goodwill (see Note 11 – Goodwill). If the fair value of the net assets of the subsidiary acquired exceeds the net cost of the acquisition plus any non-controlling interests in the acquired entity, the difference is recognized directly in the income statement.

In accordance with IFRS 3 (revised), the Group has 12 months from the acquisition date to finalize the allocation of the purchase price to the fair values of the acquiree's identifiable assets and liabilities.

Intra-group transactions, as well as unrealized gains or losses on transactions between Group companies, are eliminated in full. All companies are consolidated based on their financial position at the end of each reporting period presented, and their accounting policies are aligned where necessary with those adopted by the Group.

Non-controlling interests

Acquisitions and disposals of investments that do not result in gain or loss of control are recognized in consolidated equity within "Other movements" as transfers between equity attributable to owners of the Company and equity attributable to non-controlling interests, with no impact on the income statement. The corresponding cash flows are presented within cash flows relating to financing activities in the statement of cash flows. The corresponding costs are accounted for in the same way.

Equity-accounted companies

Equity-accounted companies are all entities over which the Group has significant influence but not control, generally when it holds between 20% and 50% of the voting rights. Investments in equity-accounted companies are initially recognized at cost as from the date significant influence was acquired.

The Group's share of its equity-accounted companies' post-acquisition profits or losses is recognized in the consolidated income statement.

Joint ventures

Joint ventures are companies controlled jointly by the Group pursuant to an agreement concluded with a view to carrying on a business activity over an average period of three to four years. The consolidated financial statements include the Group's proportionate interest in the assets, liabilities, income and expenses of joint ventures. Similar items are combined line-by-line from the date joint control is effective until the date on which it ceases.

3.16 Translation of the financial statements of foreign subsidiaries

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in millions of euros, which is the Company's functional and presentation currency.

Foreign subsidiaries

The functional currency of foreign subsidiaries is the local currency of the country in which they operate. No country in which significant Bureau Veritas subsidiaries or branches are located was considered to be a hyper-inflationary economy in 2016 or 2017.

Assets and liabilities of foreign subsidiaries are translated into euros at the closing exchange rate (excluding monetary items), while income and expense items are translated at average exchange rates for the year. All resulting currency translation differences are recognized under "Currency translation reserves" within equity. Where several exchange rates exist, the rate adopted is the rate used for dividend payments.

When a foreign operation is sold, the currency translation differences that were initially recorded in equity are recognized in the income statement as part of the gain or loss on the sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation as well as financing for which repayment is neither planned nor likely in the foreseeable future are accounted for as assets and liabilities of the foreign operation and translated into euros at the closing exchange rate. Currency translation differences initially recognized in equity are not transferred to "Gains (losses) on disposals of businesses" for partial repayments of financing accounted for as a liability of a foreign operation.

3.17 Foreign currency transactions

Foreign currency transactions are translated using the exchange rates prevailing at the transaction date. At the end of each reporting period, monetary items denominated in foreign currencies are remeasured at the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as financial income or expense.

3.18 Property, plant and equipment

All items of property, plant and equipment except for land are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the assets, in particular borrowing costs directly attributable to the acquisition or production of property, plant and equipment arising in the period preceding the one in which the assets concerned are brought into service. Subsequent expenditure is included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All repair and maintenance costs are expensed as incurred.

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	Between 20 and 25 years
Fixtures and fittings	10 years
Machinery and equipment	Between 5 and 10 years
Vehicles	Between 4 and 5 years
Office equipment	Between 5 and 10 years
IT equipment	Between 3 and 5 years
Furniture	10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. If the carrying amount of an item of property, plant and equipment exceeds its recoverable amount, it is written down to the estimated recoverable amount (see Note 3.7 – Impairment of non-financial assets).

Gains or losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset sold and are shown within "Other operating income and expense, net" in the income statement.

3.19 Investments in non-consolidated companies

This caption includes investments in companies over which the Group does not exercise control or significant influence.

On initial recognition, these investments are stated at purchase price plus transaction costs. If the fair value of these financial assets cannot be measured reliably at the end of the reporting period, the assets are carried at historical cost less any accumulated impairment losses.

Dividends attached to the investments are recognized in the income statement under "Other financial income" when the Group's right to receive payment is established.

At the end of each reporting period, the Group assesses whether there is any objective indication that its investments in non-consolidated companies are impaired. Examples of such indications include:

- evidence that the entity is in a loss-making situation;
- where the entity's financial performance proves significantly worse than expected;
- where significant changes with an adverse effect on the entity have taken place in the economic environment in which it operates.

When the Group considers that an investment is impaired, an expense is recorded in the income statement under "Other financial income and expense, net".

3.20 Other non-current financial assets

Other non-current financial assets mainly comprise guarantees and deposits.

Guarantees and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in non-current assets as they fall due more than 12 months after the end of the reporting period. Guarantees and deposits are initially recognized at fair value.

3.21 Treasury shares

Treasury shares are recognized at cost as a deduction from equity. Gains and losses on disposals of treasury shares are also recognized in equity and are not included in the calculation of profit for the period.

3.22 Non-current assets and liabilities held for sale

Non-current assets (or disposal groups/liabilities) are classified as held for sale and measured at the lower of their carrying amount and their fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction.

3.23 Current financial assets

This class of assets generally corresponds to financial assets held for trading purposes. These assets are initially recognized at fair value, and the transaction costs are expensed in the income statement. At the end of the reporting period, current financial assets are remeasured at fair value, and any gains or losses arising from changes in fair value are taken to profit or loss.

3.24 Trade and other receivables

Trade and other receivables are measured at fair value less any impairment losses.

An impairment loss is recognized against trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the transaction. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indications that a trade receivable is impaired. An analysis of doubtful receivables is performed based on the age of the receivable, the credit standing of the client and whether or not the related invoice is disputed. The carrying amount of the asset is reduced through the use of an impairment account, and the amount of the loss is recognized in the income statement as "Net (additions to)/reversals of provisions".

When a trade receivable is uncollectible, it is written off and the impairment loss is reversed. Subsequent recoveries of amounts previously written off are credited to "Other operating income and expense, net".

3.25 Cash and cash equivalents

Cash and cash equivalents include cash in hand, monetary mutual funds (SICAV), deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within current financial liabilities on the statement of financial position.

Changes in the fair value of cash and cash equivalents are recognized through profit or loss.

3.26 Trade payables

Trade payables are carried at fair value. All of the Group's trade payables have maturities of one year or less and are classified under current liabilities.

3.27 Leases

Leases under which the majority of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term.

Bureau Veritas acquires minor items of equipment under finance leases that transfer to the Group substantially all the risks and rewards of ownership. These assets are reported as property, plant and equipment for an amount equal to the estimated present value of future minimum lease payments. The corresponding liabilities are included in bank borrowings and debt.

3.28 Dividends paid

Dividends paid to the Company's shareholders are recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Note 4 Financial indicators not defined by IFRS

In its external reporting, the Group uses several financial indicators that are not defined by IFRS.

These are defined below:

Adjusted Operating Profit represents the Group's operating profit before income and expenses relating to business combinations and other non-recurring items.

When an acquisition is carried out during the financial year, the amortization of the related intangible assets is calculated on a time proportion basis.

Since a measurement period of 12 months is allowed for determining the fair value of acquired assets and liabilities, amortization of intangible assets in the year of acquisition may, in some cases, be based on a temporary measurement and be subject to minor adjustments in the subsequent reporting period, once the definitive value of the intangible assets is known.

Adjusted Operating Profit is the main indicator monitored internally and is considered by management to be the most representative of the Group's operating performance in its business sector.

(€ millions)	**2017**	2016
Operating profit	**606.3**	**609.7**
Amortization of intangible assets resulting from acquisitions	77.1	79.5
Restructuring costs	57.1	42.6
Gains on disposals of businesses and other income and expenses relating to acquisitions	5.0	3.1
ADJUSTED OPERATING PROFIT	**745.5**	**734.9**

Adjusted attributable net profit is defined as net profit attributable to owners of the Company adjusted for income and expenses relating to acquisitions and other non-recurring items, net of tax.

(€ millions)	**2017**	2016
Net profit attributable to owners of the Company	**308.0**	**319.4**
Income and expenses relating to acquisitions and other non-recurring items	139.2	125.2
Net profit (loss) from discontinued operations	8.6	-
Tax impact	(39.7)	(35.6)
ADJUSTED ATTRIBUTABLE NET PROFIT	**416.1**	**409.0**

Free cash flow relates to net cash generated from operations adjusted for net purchases of property, plant and equipment, intangible assets and interest paid.

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

Adjusted net financial debt is defined in Note 24 – Borrowings and financial debt.

Note 5 Financial risk management

The Group is exposed to a variety of financial risks (currency, interest rate, credit and liquidity risks) that may affect its assets, liabilities and operations.

The Group's policy is to constantly identify, assess and, where appropriate, hedge such risks with a view to limiting its exposure. Derivative instruments are used only to hedge identified risks and not for speculative purposes. The Group has specific procedures for dealing with each of the risks mentioned above and for each instrument used (derivatives, cash investments). Group entities are not authorized to enter into market transactions other than currency spot transactions with their financial partners.

The Finance and Treasury department is in charge of setting up hedges. Simulations are carried out or mandated by the Finance and Treasury department to allow it to assess the impact of different scenarios on the Group's financial statements.

The risk exposure resulting from the United Kingdom's decision to leave the European Union ("Brexit") is not material. The Bureau Veritas' revenue in the UK accounted for 3.7% of total consolidated revenue in 2017 and is mainly derived locally. Internal financing granted by the Group to certain UK entities is denominated in pounds sterling and hedged by the Group as described above. Other risks relating to Brexit, namely contractual or HR risks, are monitored by the Legal and HR departments, which will make the necessary adjustments as the United Kingdom exits the European Union.

Currency risk

The Group operates internationally and is therefore exposed to currency risk arising from its exposure to different foreign currencies. This risk is incurred both on transactions carried out by Group entities in currencies other than their functional currency (currency risk on operations), as well as on assets and liabilities denominated in foreign currencies other than the presentation currency for consolidated financial statements, i.e., euros (translation risk).

For some of the Group's businesses exposed to globalized markets, chiefly the Agri-Food & Commodities, Consumer Products, Marine & Offshore and Industry businesses, certain sales are denominated in US dollars or influenced by the price of the US dollar. They are therefore indirectly affected by the changes in the US currency.

Additional analyses and disclosures regarding currency risk are provided in Note 34 – Additional financial instrument disclosures, as well as Note 19 – Derivative financial instruments.

Interest rate risk

The Group is exposed to the risk of fluctuations in interest rates on its floating-rate debt.

Interest rate exposure is monitored on a monthly basis. The Group continually analyses the level of hedges put in place and ensures that they are appropriate for the underlying exposure.

Additional disclosures are provided in Note 34 – Additional financial instrument disclosures.

Credit risk

The Group derives revenue from its business with around 400,000 clients in 140 countries.

The Group's revenue is not dependent on major clients. In 2017, its largest client accounted for 1.3% of consolidated revenue and the total revenue generated with its 20 largest clients represented less than 15% of consolidated revenue.

However, some of the Group's businesses, particularly Consumer Products, Industry and Agri-Food & Commodities, generate significant revenue at their level with some clients.

For example in 2017, the biggest client of the Consumer Products and Industry businesses accounted for 4.0% and 4.3%, respectively, of that business's revenue. The loss of these two major clients could have a material adverse impact on the activity, financial position, results or outlook of the business concerned.

The Group does not consider that its credit risk exposure could have a material adverse impact on its business, financial position, results or outlook.

Note 20 – Trade and other receivables provides a detailed breakdown by maturity of receivables not covered by provisions.

Liquidity risk

The Group may have to meet payment commitments arising in the ordinary course of its business. At December 31, 2017, the Group also had access to an undrawn confirmed credit line totaling €450 million (syndicated facility) in addition to cash.

These facilities are described in more detail in Note 24 – Borrowings and financial debt.

Counterparty risk

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

The financial instruments potentially exposing the Group to counterparty risk are mainly cash and cash equivalents and derivative financial instruments. Counterparty risk arising on financial institutions is limited thanks to the Group's policy of pooling cash with the parent company wherever possible and restricting the type and term of investments to three months or less. Cash and cash equivalents totaling €364.3 million are spread among the Group's subsidiaries, thereby limiting concentration risk. Financial transactions are chiefly entered into by Bureau Veritas SA with a limited number of investment grade banks under FBF-type or similar master arrangements.

Note 6 Use of estimates

The preparation of financial statements involves the use of estimates, assumptions and judgments that may affect the carrying amounts of certain items in the statement of financial position and/or income statement as well as the disclosures in the notes.

The estimates, assumptions and judgments used were determined based on the information available when the financial statements were drawn up and may not reflect actual conditions in the future.

The main estimates, assumptions and judgments used are described below.

Measurement of provisions for claims and disputes

The Group records provisions for claims and disputes in accordance with the accounting policy described in Note 3.12 – Provisions for liabilities and charges.

These provisions are measured using various estimates and assumptions by reference to statistical data based on historical experience. They are discounted based on an estimate of the average duration of the obligation, an assumed rate of inflation and a discount rate that reflects the term to maturity of the obligation concerned.

Provisions for claims representing material amounts for which a lawsuit has been filed are measured on a case-by-case basis relying on independent experts' reports where appropriate. The costs that the Group ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of the disputes.

Measurement of provisions for impairment of trade receivables

Impairment booked against trade receivables is assessed on a case-by-case basis based on the financial position of the debtor concerned and the probability of default or delinquency in payments.

Measurement of intangible assets acquired in business combinations

Intangible assets acquired in business combinations carried out by the Group include customer relationships, brands, concessions and non-competition agreements. The fair value of these items is generally measured by independent experts using assumptions relating to business forecasts for the companies concerned. Details of the Group's acquisitions during the year are provided in Note 12 – Acquisitions and disposals.

Impairment of goodwill

The Group tests annually whether the value of goodwill is impaired, in accordance with the accounting policy described in Note 3.7 – Impairment of non-financial assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, which are described in Note 11 – Goodwill.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgment is required by management in determining the worldwide provision for income taxes. The Group considers that its ultimate tax estimate is reasonable in the ordinary course of its business.

The Group recognizes deferred income tax assets for deductible temporary differences and tax loss carryforwards to the extent that it deems probable such assets will be recovered in the future (see Note 16 – Deferred income tax, for details of the deferred income taxes recognized by the Group).

Revenue recognition

The Group uses the percentage-of-completion method in accounting for certain service contracts (see Note 3.14 – Revenue recognition, in the accounting policies section). Use of this method requires the Group to estimate the services provided to date as a proportion of the total services to be provided.

Measurement of long-term employee benefits

The cost of long-term employee benefits under defined benefit plans is estimated using actuarial valuation methods. These methods involve the use of a number of different assumptions, which are described in further detail in Note 26 – Pension plans and other long-term employee benefits. Due to the long-term nature of such plans, these estimates are subject to significant uncertainties.

Fair value of share-based payments

Share-based payments are expensed over the vesting period, based on their fair value at the grant date for equity-settled instruments or at the end of the reporting period for cash-settled transactions. Fair value is measured using appropriate valuation models requiring estimates of certain inputs as described in further detail in Note 23 – Share-based payment.

Note 7 Segment information

Only a segment analysis of revenue and operating profit is presented as monitored by Group management.

Intra-segment transactions have been eliminated.

Financial income and expense and income tax expenses are not allocated by business segment as they are managed at country level rather than by business.

Operating income and expenses relating to holding companies are allocated to the different segments in proportion to segment revenue.

In accordance with IFRS 8, Operating Segments, the Group's business segments are organized according to the type of services provided and the markets and characteristics of clients. These segments correspond to the six businesses described in section 1.1 – General overview of the Group and section 1.6 – Presentation of business activities of the 2017 Registration document.

Certain activities were reallocated to different businesses in 2017. To provide a meaningful comparison, data for 2016 have been adjusted to reflect this new presentation.

	Revenue		Operating profit	
(€ millions)	**2017**	**2016**	**2017**	**2016**
Marine & Offshore	364.9	391.9	72.7	89.6
Agri-Food & Commodities	1,072.6	1,004.6	84.0	76.7
Industry	1,096.3	1,132.0	93.2	103.7
Buildings & Infrastructure	1,119.9	1,029.0	141.3	132.7
Certification	368.6	353.5	59.8	56.0
Consumer Products	667.1	638.3	155.3	151.0
TOTAL	**4,689.4**	**4,549.2**	**606.3**	**609.7**

Note 8 Operating income and expense

(€ millions)	**2017**	**2016**
Supplies	(98.2)	(88.2)
Operational subcontracting	(385.0)	(381.0)
Lease payments	(150.3)	(144.2)
Transport and travel costs	(396.1)	(383.8)
Service costs rebilled to clients	85.4	82.9
Other external services	(449.9)	(426.0)
Total purchases and external charges	**(1,394.1)**	**(1,340.3)**
Salaries and bonuses	(1,922.0)	(1,845.3)
Payroll taxes	(438.4)	(414.6)
Other employee-related expenses	(88.6)	(90.0)
Total personnel costs	**(2,449.0)**	**(2,349.9)**
Provisions for receivables	(18.2)	(25.3)
Provisions for liabilities and charges	6.7	(6.4)
Total (additions to)/reversals of provisions	**(11.5)**	**(31.7)**
Gains/(losses) on disposals of property, plant and equipment and intangible assets	(2.2)	(1.2)
Gains/(losses) on disposals of businesses	-	(0.5)
Other operating income and expense	23.8	31.3
TOTAL OTHER OPERATING INCOME AND EXPENSE, NET	**21.6**	**29.6**

"Other external services" comprises various costs such as costs relating to temporary staff, telecommunications, insurance premiums and fees.

"Other employee-related expenses" includes the cost of stock options and performance shares, as well as costs relating to long-term employee benefits.

In 2017, "Other operating income and expense" includes income of €10.3 million corresponding to the 2017 CICE tax credit (2016: €8.9 million), as well as income of €2.5 million corresponding to the research tax credit (2016: €2.7 million). Unpaid contingent consideration on acquisitions in previous years is also included in this caption for a net amount of €1.0 million in 2017 (2016: €3.2 million).

Note 9 Other financial income and expense

(€ millions)	2017	2016
Proceeds from sales of non-current financial assets	-	-
Implicit return on funded pension plan assets	0.3	0.3
Other financial income	**0.3**	**0.3**
Foreign exchange gains/(losses)	(12.1)	8.7
Interest cost on pension plans	(3.1)	(3.1)
Other	(2.0)	(2.5)
Other financial income/(expense)	**(17.2)**	**3.1**
OTHER FINANCIAL INCOME AND EXPENSE, NET	**(16.9)**	**3.4**

In 2017, the interest rate component of gains and losses on foreign currency derivatives represented total income of €1.1 million (2016: total income of €0.4 million) and was recorded within "Finance costs, gross".

Note 10 Income tax expense

(€ millions)	2017	2016
Current income tax	(189.0)	(199.5)
Deferred income tax	24.2	10.6
TOTAL	**(164.8)**	**(188.9)**

Income tax expense on consolidated revenue amounted to €164.8 million in 2017 compared to €188.9 million in 2016. The effective tax rate, corresponding to the income tax expense divided by the amount of pre-tax profit, was 32.8% in 2017 compared with 36.0% in 2016.

The adjusted effective tax rate was 31.8% (2016: 34.6%). This year-on-year decrease of 2.8 percentage points reflects a combination of one-off items, including the refund in 2017 of the dividend contribution after this was declared null and void by the French Constitutional Court. The Group's deferred taxes were remeasured to reflect the decrease in the US tax rate approved at the end of 2017.

The Group, assisted by its advisors, deems that the provisions for liabilities relating to all ongoing tax disputes presented in its financial statements reflect the best estimate of the potential consequences of those disputes.

Deferred tax represents income of €24.2 million in 2017 (2016: income of €10.6 million), and essentially corresponds to the reversal of a deferred tax liability on non-deductible amortization charged against customer relationships.

The difference between the effective tax expense and the theoretical tax obtained by applying the French standard tax rate to consolidated profit before income tax can be analyzed as follows:

(€ millions)	2017	2016
Profit before income tax	503.2	524.0
French parent company tax rate	34.4%	34.4%
Theoretical income tax charge based on the parent company tax rate	(173.3)	(180.4)
Income tax impact of transactions subject to a reduced tax rate	2.4	2.1
Differences in foreign tax rates[a]	47.1	42.8
Impact of unrecognized tax losses	(11.2)	(8.0)
Utilization of previously unrecognized tax losses	1.5	4.9
Permanent differences	(4.1)	(7.5)
Changes in estimates	9.1	(4.9)
CVAE tax	(10.8)	(12.1)
Tax on income distributed	(7.2)	(6.7)
Tax on dividends received from subsidiaries	(18.3)	(19.0)
Other	-	(0.1)
ACTUAL INCOME TAX EXPENSE	**(164.8)**	**(188.9)**
EFFECTIVE INCOME TAX RATE	**32.8%**	**36.0%**

(a) *In 2017, the biggest differences in tax rates compared to France were found in China, Hong Kong, Taiwan, UK, Bangladesh, Vietnam, South Korea, Turkey, Indonesia and Canada.*

The breakdown of the tax effect on other comprehensive income is as follows:

	2017			2016		
(€ millions)	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation differences	(217.1)		(217.1)	53.2		53.2
Actuarial gains/(losses)	(3.4)	2.2	(1.2)	(19.1)	3.6	(15.5)
Cash flow hedges	0.6	(0.2)	0.4	(0.8)	0.3	(0.5)
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSE)	**(219.9)**	**2.0**	**(217.9)**	**33.3**	**3.9**	**37.2**

Note 11 Goodwill

Changes in goodwill in 2017

(€ millions)	2017	2016
Gross value	2,128.0	1,949.1
Accumulated impairment	(150.4)	(148.7)
Net goodwill at January 1	**1,977.6**	**1,800.4**
Acquisitions of consolidated businesses during the year	126.6	126.8
Currency translation differences and other movements	(139.1)	50.4
Net goodwill at December 31	**1,965.1**	**1,977.6**
Gross value	2,111.1	2,128.0
Accumulated impairment	(146.0)	(150.4)
NET GOODWILL AT DECEMBER 31	**1,965.1**	**1,977.6**

Allocation of goodwill to CGUs in 2017

Goodwill allocated to the Group's main cash-generating units (CGUs) at December 31, 2017 can be analyzed as follows:

(€ millions)	December 2017	December 2016
Marine & Offshore	40.2	42.6
Agri-Food & Commodities	753.7	777.3
Industry	414.9	439.2
Buildings & Infrastructure	381.3	332.9
Certification	34.4	36.7
Consumer Products	340.6	348.9
TOTAL	**1,965.1**	**1,977.6**

Impairment testing methodology

The Group tests goodwill for impairment at the end of each reporting period, and whenever there is an indication that it may be impaired. In order to do so, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs.

In 2017, the Group carried out an in-depth review of the groups of CGUs identified for its different businesses. This review followed changes made to the Group's organizational structure and reporting processes two years ago:

- a new "CIF" division was created by combining the Commodities and Industry & Facilities (I&F) divisions;
- in the CIF division, the role of the Global Service Lines (GSL) was reinforced and a matrix-based organization put in place;
- the former "GSIT" operating segment (government services and international trade) was included within the Industry (businesses related to the automotive market) and within Agri-Food & Commodities (other businesses) segments;
- regarding the former "IVS" operating segment (In-Service Inspection & Verification), IVS businesses related to industrial buildings (oil & gas, metals & minerals, energy, chemicals, automotive) were absorbed within the Industry segment, while other IVS activities (commercial buildings, public infrastructure) were absorbed within the Buildings & Infrastructure segment (which also includes the former Construction segment).

Since January 1, 2017, the Group's reporting has therefore been based on six operating divisions: Marine & Offshore, Agri-Food & Commodities, Industry, Buildings & Infrastructure, Certification and Consumer Products.

The purpose of this more matrix-based organization is to (i) enhance the strategic fit between businesses and promote cross-selling opportunities, sharing the same network, product/service offers and IT tools, (ii) serve international customers by combining a global approach (key account management) with local execution, (iii) leverage scale to define new services or invest in new tools, (iv) rapidly adapt to changes in markets by pooling leading-edge technical expertise, and (v) lead a consistent acquisitions strategy aligned with the overall objectives of each business line.

Following these organizational and reporting changes, the Group reviewed its CGUs in light of accounting standards (strategy, cash flow generation, operational management, decision centers) and adapted its current structure of CGUs and groups of CGUs for the upcoming impairment tests.

It decided to align its groups of CGUs with its operating segments.

In practice, as from 2017 the Group now allocates goodwill to six CGUs or groups of CGUs:

- Marine & Offshore;
- Agri-Food & Commodities;
- Industry;
- Buildings & Infrastructure;
- Certification;
- Consumer Products.

The recoverable amount of CGUs is determined as set out in Note 3.7 – Impairment of non-financial assets. Assets are tested for impairment by estimating their value in use.

Value in use corresponds to surplus future cash flows generated by a CGU. These cash flows are estimated after allowing for maintenance expenditure, changes in working capital requirements, and any non-recurring items. They are net of tax but exclude external financing costs. The cash flows are based on the latest medium- and long-term earnings forecasts.

There are two key inputs to the cash flow forecasts:

Growth assumptions: cash surpluses depend on the performance of a CGU or group of CGUs which is based on assumptions regarding the growth of the businesses concerned over a five-year period. Beyond this period, performance is calculated using a perpetual growth rate approximating the rate of inflation for the CGU or group of CGUs. A perpetual growth rate of 2.0% was used.

Discount rate: value in use is based on estimated surplus cash flows discounted at the weighted average cost of capital (WACC). The discount rates used are post-tax rates. The WACC used in the calculations is determined by an independent expert and adapted to the Group's different businesses and geographic areas in which the CGUs or groups of CGUs are present.

Results of 2017 impairment tests

The growth outlook for the Group as a whole remained largely unchanged.

The discount rate used in 2017 was 6.5% (2016: 7.3%) for the three groups of CGUs that remained the same as in 2016 (Consumer Products, Marine & Offshore, Certification).

The three other groups of CGUs are tested for impairment using the following discount rates: 8.1% for Agri-Food & Commodities (2016: 8.2%), 7.7% for Industry (2016: 7.3%) and 7.1% for Buildings & Infrastructure (no comparable data for 2016 owing to the reorganization of activities in 2017).

Additional analyses may be carried out by region for the two groups of CGUs relating to 2017, as was the case for the Agri-Food & Commodities group of CGUs, for which further analyses were performed by business (Oil Products, Commodities and *Agri-Food*).

Sensitivity analysis

Sensitivity analyses were carried out to determine the impacts should the Group fail to achieve its business plan projections (updated in the second half of 2017), including revenue, operating margin and the discount rate. For revenue and operating margin, no reasonably possible change in these inputs could lead to the recoverable amount falling below the carrying amount. The findings were similar for the discount rate, even if the discount rate were to increase by two percentage points.

There is no reasonably possible change in key assumptions for a given input at one time that could result in the recoverable amount of a CGU being equal to the carrying amount.

Note 12 Acquisitions and disposals

Acquisitions during the period

Bureau Veritas carried out the following acquisitions in 2017:

ACQUISITIONS OF 100% INTERESTS

Month	Company	Business	Country
January	Siemic, Inc.	Consumer Products	United States
February	Shanghai Project Management Co., Ltd.	Buildings & Infrastructure	China
March	Schutter Groep B.V.	Agri-Food & Commodities	Netherlands
June	California Code Check, Inc.	Buildings & Infrastructure	United States
November	IPS Tokai Corporation	Consumer Products	Japan
December	Ingeniería, Control y Administración, SA de C.V. (INCA)	Buildings & Infrastructure	Mexico

OTHER ACQUISITIONS

The amount of goodwill resulting from these acquisitions was calculated using the partial goodwill method.

Month	Company	Business	% acquired	Country
November	Primary Integration Solutions, Inc.	Buildings & Infrastructure	76.9%	United States
December	ICTK Co. Ltd.	Consumer Products	55.0%	South Korea
December	McKenzie Group Pty Ltd.	Buildings & Infrastructure	65.0%	Australia

INCREASE IN SHAREHOLDINGS

Month	Company	Business	BV interest	Country
June	UCM (Global) Ltd.	Industry	100%	United Kingdom
June	Unicar GB Ltd.	Industry	100%	United Kingdom
July	Ningbo Hengxin Engineering Testing Co Ltd.	Industry	100%	China

The purchase price for acquisitions made in 2017 was allocated to the acquirees' identifiable assets, liabilities and contingent liabilities at the end of the reporting period, based on information and provisional valuations available at that date.

The table below was drawn up prior to completing the final purchase price accounting for companies acquired in 2017:

(€ millions)	December 2017		December 2016	
Purchase price of acquisitions		**189.9**		**181.6**
Acquisition of non-controlling interests		-		(3.5)
Cost of assets and liabilities acquired/assumed		**189.9**		**178.1**
Assets and liabilities acquired/assumed	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Non-current assets	9.1	89.8	23.0	114.9
Current assets (excluding cash and cash equivalents)	81.8	81.8	64.1	64.3
Current liabilities (excluding borrowings)	(70.8)	(84.8)	(75.7)	(87.6)
Non-current liabilities (excluding borrowings)	(2.1)	(24.5)	(8.4)	(35.8)
Borrowings	(0.4)	(0.4)	(2.2)	(2.2)
Non-controlling interests acquired	(13.8)	(13.8)	(12.1)	(12.1)
Cash and cash equivalents of acquired companies	15.2	15.2	9.8	9.8
Total assets and liabilities acquired/assumed	**19.0**	**63.3**	**(1.5)**	**51.3**
GOODWILL		**126.6**		**126.8**

In 2017, the purchase price for acquisitions includes additional interests purchased in Unicar. As a result, Unicar is now fully consolidated and no longer equity-accounted as in the previous period.

The main items of goodwill in the period concern:

- Primary Integration Solutions, Inc. for €33.0 million;
- Shanghai Project Management Co. Ltd. for €20.6 million.

The residual unallocated goodwill is chiefly attributable to the human capital of the companies acquired and the significant synergies expected to result from these acquisitions.

Fair value adjustments relating to the main acquisitions carried out in 2016 whose final accounting was completed in 2017, are recognized in the 2017 consolidated financial statements.

The Group's acquisitions were paid exclusively in cash.

The impact of these acquisitions on cash and cash equivalents for the period was as follows:

(€ millions)	2017	2016
Purchase price of acquisitions	**(189.9)**	**(181.6)**
Cash and cash equivalents of acquired companies	15.2	9.8
Purchase price outstanding at December 31 in respect of acquisitions in the year	30.9	40.1
Purchase price paid in relation to acquisitions in prior years	(15.1)	(52.3)
IMPACT OF ACQUISITIONS ON CASH AND CASH EQUIVALENTS	**(158.9)**	**(184.0)**

The amount of €164.8 million shown on the "Acquisitions of subsidiaries" line of the consolidated statement of cash flows includes €5.9 million in acquisition-related fees paid.

Unpaid contingent consideration

Contingent consideration for acquisitions carried out prior to January 1, 2017 expired in 2017. The unpaid contingent consideration had a positive net €1.0 million impact on the income statement, included in "Other operating income and expense, net".

Financial liabilities relating to put options granted to holders of non-controlling interests

Financial liabilities relating to put options granted to holders of non-controlling interests amounted to €91.5 million at December 31, 2017 (€41.7 million at December 31, 2016).

The carrying amount and main characteristics of put options are detailed in the table below:

(€ millions)	December 2017	December 2016	Start of exercise period	Price calculation reference
Matthews Daniel	-	1.0	2015	Price of the 81.1% interest acquired in 2014
Shandong Chengxin Engineering	30.0	18.8	2017 accounts close	Average 2016 and 2017 EBIT multiple
Ningbo	-	7.6	2016 accounts close	Average 2015 and 2016 EBIT multiple
Shanghai TJU	2.8	3.1	2017 accounts close	Average 2015, 2016 and 2017 EBIT multiple
Chongqing Liansheng	10.5	11.2	2018 accounts close	Average 2016, 2017 and 2018 EBIT multiple
Shanghai Project Management	20.6		2019 accounts close	Average 2017, 2018 and 2019 EBIT multiple
ICTK	3.4		2019 accounts close	Average 2017, 2018 and 2019 EBIT multiple
Primary Integration Solutions	24.2		2021 accounts close	2021 EBIT multiple
TOTAL	**91.5**	**41.7**		
Non-current	58.7	33.1		
Current	32.8	8.6		

Movements in the period were as follows:

(€ millions)	2017	2016
At January 1	**41.7**	**40.5**
New options[(a)]	48.2	11.2
Options exercised	(8.6)	(8.9)
Change in the present value of the exercise price of outstanding options	10.2	(1.1)
AT DECEMBER 31	**91.5**	**41.7**

(a) Put options with a unit price equal to or less than 10% of the total amount of the put options granted by the Group to certain holders of non-controlling interests.

New options granted along with changes in the price of existing options had a negative €58.4 million impact on the "Other movements" line in the consolidated statement of changes in equity.

Options exercised had a positive €3.4 million impact on the "Repayment of amounts owed to shareholders" line of the consolidated statement of cash flows.

Comparative data

In 2017, Bureau Veritas acquired companies and groups with aggregate annual revenue of around €142.9 million for the year (2016: €124.2 million) and operating profit before amortization of intangible assets resulting from business combinations of around €21.8 million (2016: €21.3 million).

The table below shows the Group's key financial indicators including major acquisitions for the period as if they had been included in the consolidated financial statements at January 1, 2017. Operating profit includes 12-month amortization charged against intangible assets resulting from the business combinations.

The main acquisitions carried out in 2017 do not have a material impact on comparative indicators in the consolidated statement of cash flows.

(€ millions)	2017	2016
Revenue		
As per financial statements	4,689.4	4,549.2
COMPARABLE	**4,749.2**	**4,592.7**
Operating profit		
As per financial statements	606.3	609.7
COMPARABLE	**616.2**	**616.4**
Net profit		
As per financial statements	329.8	335.1
COMPARABLE	**332.5**	**336.9**

Disposals

The Group sold its Swedish subsidiary LW Cargo Survey in December 2017.

The table below shows the impacts on the statement of financial position and income:

(€ millions)	2017	2016
Assets and liabilities sold		
Non-current assets	0.3	0.5
Current assets	0.7	-
Current and non-current liabilities	(1.0)	-
Carrying amount of assets sold	**-**	**0.5**
Gains/(losses) on disposals of businesses	-	(0.5)
Proceeds from disposals of businesses	-	-
Of which payment received	**-**	**0.7**
Of which payment deferred	**-**	**-**

This sale had no impact on consolidated cash and cash equivalents.

The accounting impacts of the disposal of non-destructive testing operations in France and Germany are set out in Note 30 – Discontinued operations.

Note 13 Intangible assets

(€ millions)	December 2016	Acquisitions /Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 2017
Customer relationships	999.2	-	(2.8)	80.7	(85.6)	991.5
Brands	67.2	-	-	-	(3.3)	63.9
Non-competition agreements	37.9	-	-	-	(2.5)	35.4
Other intangible assets	160.2	12.1	(3.7)	1.5	26.5	196.6
Intangible assets in progress	20.3	16.4	-	-	(28.2)	8.5
Gross value	**1,284.8**	**28.5**	**(6.5)**	**82.2**	**(93.1)**	**1,295.9**
Customer relationships	(428.4)	(71.4)	2.7	-	29.7	(467.4)
Brands	(52.3)	(3.4)	-	-	3.1	(52.6)
Non-competition agreements	(23.2)	(2.3)	-	-	1.6	(23.9)
Other intangible assets	(94.1)	(21.2)	1.2	-	2.3	(111.8)
Accumulated amortization and impairment	**(598.0)**	**(98.3)**	**3.9**	**-**	**36.7**	**(655.7)**
Customer relationships	570.8	(71.4)	(0.1)	80.7	(55.9)	524.1
Brands	14.9	(3.4)	-	-	(0.2)	11.3
Non-competition agreements	14.7	(2.3)	-	-	(0.9)	11.5
Other intangible assets	66.1	(9.1)	(2.5)	1.5	28.8	84.8
Intangible assets in progress	20.3	16.4	-	-	(28.2)	8.5
INTANGIBLE ASSETS, NET	**686.8**	**(69.8)**	**(2.6)**	**82.2**	**(56.4)**	**640.2**

(€ millions)	December 2015	Acquisitions /Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 2016
Customer relationships	873,4	-	-	92,0	33,8	999,2
Brands	61,7	-	-	4,2	1,3	67,2
Non-competition agreements	37,2	-	-	-	0,7	37,9
Other intangible assets	131,4	12,4	(1,6)	1,2	16,8	160,2
Intangible assets in progress	13,9	18,6	-	-	(12,2)	20,3
Gross value	**1 117,6**	**31,0**	**(1,6)**	**97,4**	**40,4**	**1 284,8**
Customer relationships	(343,2)	(72,5)	-	-	(12,7)	(428,4)
Brands	(48,6)	(2,9)	-	-	(0,8)	(52,3)
Non-competition agreements	(18,4)	(4,1)	-	-	(0,7)	(23,2)
Other intangible assets	(78,0)	(15,8)	1,5	(1,1)	(0,7)	(94,1)
Accumulated amortization and impairment	**(488,2)**	**(95,3)**	**1,5**	**(1,1)**	**(14,9)**	**(598,0)**
Customer relationships	530,2	(72,5)	-	92,0	21,1	570,8
Brands	13,1	(2,9)	-	4,2	0,5	14,9
Non-competition agreements	18,8	(4,1)	-	-	-	14,7
Other intangible assets	53,4	(3,4)	(0,1)	0,1	16,1	66,1
Intangible assets in progress	13,9	18,6			(12,2)	20,3
INTANGIBLE ASSETS, NET	**629,4**	**(64,3)**	**(0,1)**	**96,3**	**25,5**	**686,8**

All of the amounts allocated to “Changes in scope of consolidation” in 2017 and 2016 relate to the acquisitions respectively carried out in that year. When the value of customer relationships is adjusted in the year following their acquisition, the amount of the adjustment is recognized in “Other movements”.

Amortization charged against intangible assets totaled €98.3 million in 2017 and €95.3 million in 2016.

Research and development costs expensed in 2017 totaled €10.9 million (2016: €11.1 million) and chiefly concern the Marine & Offshore business in France (€8.9 million) and Maxxam operations in Canada (€2.0 million).

Note 14 Property, plant and equipment

(€ millions)	December 2016	Acquisitions/ Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 2017
Land	19.3	-	-	-	(1.1)	18.2
Buildings	64.0	4.7	(5.4)	1.5	(1.8)	63.0
Fixtures and fittings, machinery and equipment	954.1	58.8	(46.6)	6.9	(30.5)	942.7
IT equipment and other	284.8	21.9	(18.9)	6.3	(17.2)	276.9
Construction in progress	33.5	30.0	-	-	(38.7)	24.8
Gross value	**1,355.7**	**115.4**	**(70.9)**	**14.7**	**(89.3)**	**1,325.6**
Land	-	-	-	-	-	
Buildings	(30.4)	(2.3)	1.6	(0.6)	1.3	(30.4)
Fixtures and fittings, machinery and equipment	(598.0)	(77.8)	41.4	(4.3)	36.1	(602.6)
IT equipment and other	(208.7)	(25.3)	15.9	(4.7)	16.5	(206.3)
Construction in progress	-	-	-	-	-	-
Accumulated depreciation and impairment	**(837.1)**	**(105.4)**	**58.9**	**(9.6)**	**53.9**	**(839.3)**
Land	19.3	-	-	-	(1.1)	18.2
Buildings	33.6	2.4	(3.8)	0.9	(0.5)	32.6
Fixtures and fittings, machinery and equipment	356.1	(19.0)	(5.2)	2.6	5.6	340.1
IT equipment and other	76.1	(3.4)	(3.0)	1.6	(0.7)	70.6
Construction in progress	33.5	30.0	-	-	(38.7)	24.8
PROPERTY, PLANT AND EQUIPMENT, NET	**518.6**	**10.0**	**(12.0)**	**5.1**	**(35.4)**	**486.3**

(€ millions)	December 2015	Acquisitions/ Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 2016
Land	20.0	2.5	(4.2)	-	1.0	19.3
Buildings	52.2	4.5	(2.2)	9.0	0.5	64.0
Fixtures and fittings, machinery and equipment	851.5	61.2	(22.7)	12.7	51.4	954.1
IT equipment and other	272.6	25.2	(22.8)	6.3	3.5	284.8
Construction in progress	41.0	32.1	-	-	(39.5)	33.5
Gross value	**1,237.2**	**125.5**	**(51.9)**	**28.0**	**16.9**	**1,355.7**
Land	-	-	-	-	-	-
Buildings	(23.5)	(2.0)	1.0	(6.0)	0.1	(30.4)
Fixtures and fittings, machinery and equipment	(519.0)	(77.4)	17.8	(7.8)	(11.6)	(598.0)
IT equipment and other	(196.2)	(27.7)	20.3	(4.8)	(0.3)	(208.7)
Construction in progress	(0.6)	-	-	-	0.6	-
Accumulated depreciation and impairment	**(739.3)**	**(107.1)**	**39.1**	**(18.6)**	**(11.2)**	**(837.1)**
Land	20.0	2.5	(4.2)	-	1.0	19.3
Buildings	28.7	2.5	(1.2)	3.0	0.6	33.6
Fixtures and fittings, machinery and equipment	332.5	(16.2)	(4.9)	4.9	39.8	356.1
IT equipment and other	76.4	(2.5)	(2.5)	1.5	3.2	76.1
Construction in progress	40.4	32.1	-	-	(38.9)	33.5
PROPERTY, PLANT AND EQUIPMENT, NET	**497.9**	**18.4**	**(12.8)**	**9.4**	**5.7**	**518.6**

The Group's property, plant and equipment consists mainly of laboratory equipment used in the Commodities and Consumer Products testing businesses.

The major centers of expertise for metals and minerals are in Australia and Canada. The major centers of expertise in oil and petrochemicals are based in the US and in Canada.

The laboratories of our Consumer Products division are located mainly in Asia.

Depreciation charged against property, plant and equipment totaled €105.4 million in 2017 and €107.1 million in 2016.

Note 15 Investments in equity-accounted companies

(€ millions)	**December 2017**	December 2016
Investments in equity-accounted companies at January 1	**5.0**	**4.8**
Gains/(losses) during the year	0.6	0.8
Other movements	(1.0)	(0.6)
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES AT DECEMBER 31	**4.6**	**5.0**

Based on criteria used by the Group (revenue, total assets and contribution to consolidated net profit), these investments are not deemed material.

Note 16 Deferred income tax

The table below provides details of deferred income tax recognized in the statement of financial position:

Analysis of deferred income tax by maturity *(€ millions)*	**December 2017**	December 2016
Deferred income tax assets		
Non-current	86.8	83.7
Current	51.6	59.2
Total	**138.4**	**142.9**
Deferred income tax liabilities		
Non-current	(124.4)	(146.3)
Current	(18.9)	(18.5)
Total	**(143.3)**	**(164.8)**
NET DEFERRED INCOME TAX LIABILITIES	**(4.9)**	**(21.9)**

Deferred taxes at December 31, 2017 are presented after offsetting deferred tax assets and deferred tax liabilities relating to the same taxable entity.

Movements in deferred taxes during the year were as follows:

Movements in deferred taxes during the year *(€ millions)*	**December 2017**	December 2016
Net deferred income tax assets (liabilities) at January 1	**(21.9)**	**(15.6)**
Deferred tax income/(expense) for the year	24.2	10.6
Deferred income taxes recognized directly in equity	3.9	10.4
Changes in scope of consolidation	(19.2)	(21.8)
Exchange differences	8.1	(5.5)
NET DEFERRED INCOME TAX LIABILITIES AT DECEMBER 31	**(4.9)**	**(21.9)**

Net changes in deferred taxes during the year are shown below before offsetting at the level of taxable entities:

(€ millions)	Pension plans and other employee benefit obligations	Provisions for contract-related disputes	Tax loss carryforwards	Gains taxable in future periods	Customer relationships	Other	Total
At December 31, 2015	**39.0**	**0.7**	**30.6**	**(26.6)**	**(148.2)**	**88.9**	**(15.6)**
Income/(expense) recognized in the income statement	(3.2)	0.4	0.4	(2.3)	19.6	(4.3)	10.6
Tax asset recognized directly in equity	3.6	-	-	-	-	6.8	10.4
Reclassifications	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	(0.2)	(26.1)	4.5	(21.8)
Exchange differences	-	-	0.6	(0.6)	(6.8)	1.3	(5.5)
At December 31, 2016	**39.4**	**1.1**	**31.6**	**(29.7)**	**(161.5)**	**97.2**	**(21.9)**
Income/(expense) recognized in the income statement	(1.3)	0.5	18.1	4.9	34.2	(32.2)	24.2
Tax asset recognized directly in equity	2.2					1.7	3.9
Reclassifications							-
Changes in scope of consolidation	(0.7)	(0.1)	(0.1)	(1.1)	(18.3)	1.1	(19.2)
Exchange differences	(0.5)	(0.1)	(2.3)	2.6	12.3	(3.9)	8.1
AT DECEMBER 31, 2017	**39.1**	**1.4**	**47.3**	**(23.3)**	**(133.3)**	**63.9**	**(4.9)**

Deferred tax assets on tax loss carryforwards were calculated based on estimated future earnings of the loss-making subsidiaries. The calculation was made by reference to the 2018 budget and updated information taken from the 2020 strategic plan, both of which were drawn up in the last quarter of 2017. The timeframe used for these forecasts was within the period allowed by each country for the carry-forward of tax losses (pursuant to IAS 12.34).

Other deferred taxes relate mainly to non-deductible accrued charges and provisions.

At December 31, 2017, cumulative unrecognized tax loss carryforwards totaled €123.7 million, of which €23.1 million arose in 2017 (December 31, 2016: €119.2 million, of which €22.8 million arose in 2016).

The tax impact of these tax loss carryforwards was €31 million, of which €5.3 million arose in 2017 (December 31, 2016: €30.8 million, of which €6.1 million arose in 2016).

Note 17 Investments in non-consolidated companies

(€ millions)	December 2017	December 2016
Investments in non-consolidated companies at January 1	**1,3**	**1,3**
Movements during the year	-	-
INVESTMENTS IN NON-CONSOLIDATED COMPANIES AT DECEMBER 31	**1,3**	**1,3**

All of the Group's investments in non-consolidated companies correspond to shares acquired in unlisted companies.

Note 18 Other financial assets

(€ millions)	December 2017	December 2016
Deposits, guarantees and other financial assets	118.4	69.2
OTHER NON-CURRENT FINANCIAL ASSETS	**118.4**	**69.2**
Deposits, guarantees and other financial assets	20.3	51.0
OTHER CURRENT FINANCIAL ASSETS	**20.3**	**51.0**

Other non-current financial assets

Other non-current financial assets mainly comprise interest-free guarantee deposits on office rentals. The vast majority of these have maturities of one to five years.

This caption also includes customer holdbacks maturing in over one year. At December 31, 2016, some of these holdbacks were shown under “Trade and other receivables” for an amount of €23.1 million.

The Group considered that the fair value of other non-current assets approximated their carrying amount at December 31, 2017 and December 31, 2016.

Non-current financial assets have been pledged by the Group and represented a total carrying amount of €3.9 million at December 31, 2017 (December 31, 2016: €4.4 million).

Other current financial assets

Other current financial assets include €14.3 million in financial receivables relating to bidding operations in China. The amounts received do not correspond to the definition of a cash component within the meaning of IAS 7.

Current financial assets have been pledged by the Group and represented a total carrying amount of €1.1 million at December 31, 2017 (no current financial assets pledged at end-2016).

Note 19 Derivative financial instruments

A currency hedge has been contracted swapping a portion of the Group’s USPP debt for euros.

The currency derivatives in place at December 31, 2017 were as follows:

Maturity	Notional amount	Fair value of derivatives *(€ millions)*
July 16, 2018	GBP 23 million	(3.1)
CURRENT LIABILITIES		**(3.1)**
July 16, 2020	GBP 40 million	(6.7)
NON-CURRENT LIABILITIES		**(6.7)**

The Group has set up multi-currency foreign exchange derivatives hedging the euro. These instruments are set up on a centralized basis and are designed to protect the Group against currency risk arising mainly on intra-group loans and a portion of its external debt.

The foreign exchange derivatives maturing within one year (currency swaps and forward purchases and sales) in place at December 31, 2017 were as follows:

Currency	Notional amount *(millions of currency units)*	Fair value of derivatives *(€ millions)*
USD	287.0	(2.8)
CAD	(97.8)	1.5
ZAR	(139.3)	(0.4)
SGD	(100.6)	0.4
RUB	42.2	-
PLN	4.8	-
JPY	1,178.2	(0.1)
GBP	(64.8)	0.3
CNY	(276.7)	(0.2)
AUD	60.5	(1.3)
SEK	(113.4)	(0.2)
DKK	(95.3)	-
CZK	(146.0)	-
NOK	(45.1)	-
CHF	(3.9)	-
NET LIABILITY		**(2.8)**

The Group had no interest rate hedges at the reporting date.

A negative residual balance of €2.2 million was carried in equity at end-2017 in respect of changes in the fair value of cash flow hedges. This will be reclassified to net financial expense as and when the hedged cash flows affect profit or loss.

Interest expense on currency hedges classified as cash flow hedges amounted to €0.3 million in 2017.

No material ineffective portion was recognized in net financial expense in 2017 in respect of cash flow hedges.

In accordance with IFRS 13, the fair value of derivative instruments takes into account the Company's own credit risk on derivative instruments with a negative fair value and its counterparty risk on derivatives with a positive fair value. The impact on fair value of this change in estimate is recognized in the income statement for the period and is not material.

Note 20 Trade and other receivables

(€ millions)	December 2017	December 2016
Trade and other receivables[a]	1,420.9	1,393.9
Inventories	19.9	20.6
Other receivables	189.3	151.1
Gross value	**1,630.1**	**1,565.6**
Provisions at January 1	**(69.5)**	**(64.1)**
Net additions/reversals during the period	8.3	(5.7)
Changes in scope of consolidation	(0.5)	(0.1)
Currency translation differences and other movements	4.7	0.4
Provisions at December 31	**(57.0)**	**(69.5)**
TRADE AND OTHER RECEIVABLES, NET	**1,573.1**	**1,496.1**

(a) Including accrued receivables for €88.0 million and work-in-progress for €206.9 million at December 31, 2017.

The Group considers that the fair value of its receivables approximates their carrying amount as they all fall due within one year.

There is little concentration of credit risk resulting from the Group's trade receivables due to the significant number of clients and their geographic diversity.

The table below presents an aged balance of trade and other receivables for which no impairment provisions have been set aside:

(€ millions)	December 2017	December 2016
Trade receivables	**1,420.9**	**1,393.9**
of which		
• provisioned	55.9	68.4
• not provisioned and due:		
less than 1 month past due	173.3	155.4
1 to 3 months past due	119.1	120.9
3 to 6 months past due	74.9	68.3
more than 6 months past due	77.1	72.7

Note 21 Cash and cash equivalents

(€ millions)	December 2017	December 2016
Marketable securities	7.1	668.7
Cash at bank and on hand	357.2	425.4
TOTAL	**364.3**	**1,094.1**

The Group considers that cash and cash equivalents primarily comprise available cash.

Marketable securities correspond to units in monetary mutual funds (SICAV) which meet the definition of cash and cash equivalents set out in IAS 7.

Most of the "Cash at bank and on hand" item is considered to represent available cash. In all, 45% of the Group's cash at bank and on hand is located in 67 countries where loans or current accounts are difficult or even impossible to put in place (e.g., South Korea, India, China, Benin and Angola). In this case, cash at bank and on hand is repatriated when dividends are paid.

Cash that cannot be pooled represents only around 3% of cash at bank and on hand and is defined as cash balances in countries which forbid or severely restrict transfers of cash. This concerns just two countries: Iran and Venezuela.

Net cash and cash equivalents as reported in the consolidated statement of cash flows comprise:

(€ millions)	December 2017	December 2016
Cash and cash equivalents	364.3	1,094.1
Bank overdrafts (Note 24)	(9.8)	(6.0)
NET CASH AND CASH EQUIVALENTS AS REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS	**354.5**	**1,088.1**

Note 22 Share capital

Share capital

The total number of shares making up the share capital was 442,000,000 at both December 31, 2017 and December 31, 2016.

All shares have a par value of €0.12 and are fully paid up.

Capital increase

Following the exercise of 330,000 stock options and the creation of 330,000 shares, the Group carried out a share capital increase which included a share premium of €3.1 million.

Capital reduction

On December 15, 2017, the parent company reduced the share capital by canceling 330,000 treasury shares representing a share premium of €6.3 million.

Treasury shares

At December 31, 2017, the Group held 5,790,282 of its own shares. The carrying amount of these shares was deducted from equity.

Note 23 Share-based payment

The Group has set up three types of long-term equity-settled compensation plans:

- stock purchase or subscription option plans;
- stock subscription option plans on preferential terms;
- performance share plans.

Stock subscription and purchase option plans

Description

Stock options are granted to senior managers and other select employees. Awards since 2011 have consisted solely of stock purchase option plans which will require the Group to buy back its shares on the market. All stock option plans granted up to 2010 concern stock subscription options which entitle their holders to subscribe for newly issued shares on exercise of their options. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Depending on the plans, the options are subject to a vesting period of three or five years and are valid for a term of eight or ten years after the grant date.

The exercise price is fixed when the options are awarded and cannot be changed.

Pursuant to a decision of the Board of Directors on June 21, 2017, the Group awarded 1,229,060 stock purchase options to select employees and to the Executive Corporate Officer. The options granted may be exercised at a fixed price of €20.65.

To be eligible for these awards, beneficiaries must have completed a minimum period of service and achieved certain performance targets based on 2017 Adjusted Operating Profit and the operating margin (Adjusted Operating Profit/revenue) for 2018 and 2019. The stock purchase options are valid for ten years after the grant date.

The average fair value of options granted during the year was €1.70 per option (2016: €2.35).

MOVEMENTS IN OPTIONS

	Weighted average exercise price of options	Number of options	Average residual life of outstanding options
At December 31, 2015	**18.15**	**5,676,356**	**5.8 years**
Options granted during the year	19.35	1,312,400	
Options canceled during the year	20.21	(169,111)	
Options exercised during the year	12.95	(269,208)	
At December 31, 2016	**18.55**	**6,550,437**	**5.8 years**
Options granted during the year	20.65	1,229,060	
Options canceled during the year	19.38	(974,129)	
Options exercised during the year	14.31	(893,345)	
AT DECEMBER 31, 2017	**19.49**	**5,912,023**	**5.7 YEARS**

Out of the total number of outstanding options at each year-end, 3,043,353 options were exercisable at end-2017 (end-2016: 3,230,260 options).

OVERVIEW OF STOCK OPTION PLANS AT DECEMBER 31, 2017:

			Number of options	
	Expiration date	Exercise price *(in euros per option)*	December 2017	December 2016
07/03/2009 Plan	07/03/2017	8.75	-	234,000
07/23/2010 Plan	07/23/2018	11.58	216,000	312,000
07/18/2011 Plan	07/18/2019	14.42	186,000	368,000
12/14/2011 Plan	12/14/2019	13.28	78,480	78,480
07/18/2012 Plan	07/18/2020	17.54	817,546	1,126,186
07/22/2013 Plan	07/22/2021	21.01	1,021,594	1,111,594
07/16/2014 Plan	07/16/2022	20.28	723,733	771,527
07/15/2015 Plan	07/15/2025	20.51	1,239,386	1,248,250
06/21/2016 Plan	06/21/2026	19.35	400,224	1,300,400
06/21/2017 Plan	06/21/2027	20.65	1,229,060	-
NUMBER OF OPTIONS AT DECEMBER 31			**5,912,023**	**6,550,437**

Measurement

The fair value of options granted in 2017 was calculated based on the following main assumptions and characteristics:

- exercise price: €20.65;
- expected share volatility: 17.0% (2016: 22.7%);
- dividend yield: 2.7% (2016: 2.6%);
- expected option life: 4 years (2016: 4 years);
- risk-free interest rate: -0.36% (2016: 0.34%), determined by reference to the yield on government bonds over the estimated life of the option.

The number of shares that will vest is estimated based on an achievement rate of 100% for performance targets in 2017 (2016: 45%) and an attrition rate of 1% per annum in 2017 (2016: 1%). The performance condition attached to the June 21, 2016 stock purchase option plan was notably based on 2016 Adjusted Operating Profit. The attainment rate for the performance condition was 97%.

In 2017, the expense recognized by the Group in respect of stock options amounted to €2.2 million (2016: €2.8 million).

Performance share plans

Description

Pursuant to a decision of the Board of Directors, the Group awarded 1,207,820 performance shares to select employees and to the Executive Corporate Officer on June 21, 2017. Beneficiaries must have completed three years of service to be eligible for the plans. Eligibility also depends on meeting a series of performance targets based on Adjusted Operating Profit for 2017 and on the operating margin (ratio of Adjusted Operating Profit to revenue) in 2018 and 2019.

Overview of performance share plans at December 31, 2017:

Grant date	Vesting date	Number of shares
07/22/2013 Plan	07/22/2021 or 07/22/2022	720,000
07/16/2014 Plan	07/16/2018 or 07/16/2017 for employees of a French company	436,108
07/15/2015 Plan	07/15/2019 or 07/15/2018 for employees of a French company	991,044
06/21/2016 Plan	06/21/2019	497,052
06/21/2017 Plan	06/21/2020	1,191,420
NUMBER OF SHARES AT DECEMBER 31, 2017		**3,835,624**

Measurement

The fair value of performance shares granted to select employees and the Executive Corporate Officer was determined using the Black-Scholes options pricing model.

The weighted average fair value of performance shares awarded to select employees and the Executive Corporate Officer in 2017 was €18.94 per share (2016: €17.65), based on the following assumptions:

- share price at the grant date;
- dividend yield: 2.7% (2016: 2.6%);
- discount corresponding to risks and liquidity requirements: N/A (2016: NA).

The number of shares that will vest is estimated based on an achievement rate of 100% for performance targets (2016: 57%) and an attrition rate of 5% per annum in 2016 (2016: 5%). The performance condition attached to the June 21, 2016 plan was based on Adjusted Operating Profit for 2016. The attainment rate for the performance condition was 97%.

In 2017, the expense recognized by the Group in respect of performance shares amounted to €15.8 million (2016: €18.0 million).

Note 24 Borrowings and financial debt

(€ millions)	Total	Due within 1 year	Due between 1 and 2 years	Due between 3 and 5 years	Due beyond 5 years
At December 31, 2017					
Bank borrowings and debt (long-term portion)	1,040.0		540.8	334.2	165.0
Bond issue	1,200.0		-	500.0	700.0
Non-current borrowings and financial debt	**2,240.0**	**-**	**540.8**	**834.2**	**865.0**
Current bank borrowings and debt	199.2	199.2			
Bond issue	-	-			
Bank overdrafts	9.8	9.8			
Current borrowings and financial debt	**209.0**	**209.0**			
At December 31, 2016					
Bank borrowings and debt (long-term portion)	1,292.9		174.5	852.8	265.6
Bond issue	1,200.0		-	500.0	700.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	**2,492.9**		**174.5**	**1,352.8**	**965.6**
Current bank borrowings and debt	83.5	83.5			
Bond issue	500.0	500.0			
Bank overdrafts	6.0	6.0			
CURRENT BORROWINGS AND FINANCIAL DEBT	**589.5**	**589.5**			

The USD 200 million bank financing facility was repaid on September 1, 2017 by means of a US Private Placement issue for an equivalent amount.

The Group contracted a US Private Placement which will be drawn on July 16, 2018 and used to roll over the USD 155 million Private Placement due on the same date.

Gross debt decreased by €633.4 million between December 31, 2016 and December 31, 2017, to €2,449.0 million.

This decrease chiefly reflects the redemption of the €500 million bond issue maturing in May 2017, which had been pre-financed in 2016.

(€ millions)	December 2016	Changes in scope of consolidation	Cash flows	Currency translation differences and other movements	December 2017
Bank borrowings and debt (long-term portion)	1,292.9	0.4	(29.7)	(223.6)	1,040.0
Bond issue	1,200.0	-	-	-	1,200.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	**2,492.9**	**0.4**	**(29.7)**	**(223.6)**	**2,240.0**
Bank borrowings and debt	83.5	-	(26.1)	141.8	199.2
Bond issue	500.0	-	(500.0)	-	-
Bank overdrafts	6.0	3.1	0.7	-	9.8
CURRENT BORROWINGS AND FINANCIAL DEBT	**589.5**	**3.1**	**(525.4)**	**141.8**	**209.0**
BORROWINGS AND FINANCIAL DEBT, GROSS	**3,082.4**	**3.5**	**(555.1)**	**(81.8)**	**2,449.0**

Negative cash flows totaling €555.1 million reflect:

- €0.7 million relating to the change in bank overdrafts, which are included in the change in cash and cash equivalents in the consolidated statement of cash flows;
- a negative amount of €11.4 million relating to the change in accrued interest, shown on the "Interest paid" line of the consolidated statement of cash flows.

(€ millions)	Total	Due within 1 year	Due between 1 and 2 years	Due between 3 and 5 years	Due beyond 5 years
Estimated interest payable on bank borrowings and debt	331.1	73.7	65.7	114.1	77.6
Impact of cash flow hedges (principal and interrest)	8.3	3.0	0.2	5.1	-

In the table above, interest takes into account the impact of debt hedging (currency derivatives).

At December 31, 2017, virtually all of the Group's gross debt related to the facilities described below.

Non-bank financing

Non-bank financing includes:

- the 2008, 2010, 2011 & 2014, 2013 & 2014, and 2017 US Private Placements in a total amount of USD 816 million, €184.1 million and GBP 63 million;
- the different tranches of *Schuldschein* notes totaling €260 million;
- the bond issues carried out in January 2014 and September 2016 for a total amount of €1.2 billion.

Bank financing

Bank financing includes the syndicated credit facility amounting to €450 million, undrawn at December 31, 2017.

Available financing

At December 31, 2017, a total of €450 million is available under the syndicated facility.

Bank covenants

At December 31, 2017, the same financial covenants were in force as at December 31, 2016. The Group complied with all such covenants at both end-2017 and end-2016.

- The first covenant is defined as the ratio of adjusted consolidated net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for acquisitions over the past 12 months. The ratio must be below 3.25. At December 31, 2017, it stood at 2.37;
- The second covenant represents consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for acquisitions over the past 12 months, divided by the Group's net interest expense. The ratio must be above 5.5. At December 31, 2017, it stood at 10.18.

Breakdown by currency

Current and non-current bank borrowings and debt can be analyzed as follows by currency:

Currency *(€ millions)*	**December 2017**	**December 2016**
US dollar (USD)	685.8	775.3
Euro (€)	1,742.0	2,283.3
Other currencies	11.3	17.8
TOTAL	**2,439.1**	**3,076.4**

The GBP tranches of the 2008 US Private Placement were converted into euros using a currency swap and are therefore included on the "Euro (€)" line. Derivative financial instruments are described in further detail in Note 19 – Derivative financial instruments.

Fixed rate/floating rate breakdown

At December 31, 2017, gross borrowings and financial debt can be analyzed as follows:

(€ millions)	**December 2017**	**December 2016**
Fixed rate	2,147.5	2,518.4
Floating rate	291.6	558.0
TOTAL	**2,439.1**	**3,076.4**

The contractual repricing dates for floating rates are six months or less. The reference rates used are Euribor for floating-rate borrowings in euros and USD Libor for floating-rate borrowings in US dollars.

The interest rates applicable to the Group's floating-rate bank borrowings and the margins at the end of the reporting period are detailed below:

Currency	**December 2017**	**December 2016**
US dollar (USD)	2.85%	2.18%
Euro (€)	1.10%	1.10%

Effective interest rates approximate nominal rates for all financing facilities.

Analyses of sensitivity to changes in interest and exchange rates as defined by IFRS 7 are provided in Note 34 – Additional financial instrument disclosures.

Financial indicators not defined by IFRS

In its external reporting on borrowings and financial debt, the Group uses an indicator known as adjusted net financial debt. This indicator is not defined by IFRS but is determined by the Group based on the definition set out in its bank covenants:

(€ millions)	**December 2017**	**December 2016**
Non-current borrowings and financial debt	2,240.0	2,492.9
Current borrowings and financial debt	209.0	589.5
BORROWINGS AND FINANCIAL DEBT, GROSS	**2,449.0**	**3,082.4**
Cash and cash equivalents	(364.3)	(1,094.1)
NET FINANCIAL DEBT	**2,084.7**	**1,988.3**
Currency hedging instruments (as per bank covenants)	9.7	8.1
ADJUSTED NET FINANCIAL DEBT	**2,094.4**	**1,996.4**

Note 25 Other financial liabilities

(€ millions)	December 2017	December 2016
Payable on acquisitions of companies	52.7	37.2
Put options granted to holders of non-controlling interests	58.7	33.1
Other	8.8	4.5
OTHER NON-CURRENT FINANCIAL LIABILITIES	**120.2**	**74.8**
Payable on acquisitions of companies	23.9	25.2
Put options granted to holders of non-controlling interests	32.8	8.6
Other	57.4	72.5
OTHER CURRENT FINANCIAL LIABILITIES	**114.1**	**106.3**

The €57.4 million recorded in "Other" in other current financial liabilities includes:

- €14.3 million relating to a financial liability in connection with bidding operations in China. The amounts received are to be paid over to candidates at the end of the bidding process;
- €30.1 million relating to dividends payable to former shareholders of our Chinese subsidiaries acquired in 2017 and 2016.

Note 26 Pension plans and other long-term employee benefits

The Group's defined benefit plans cover the following:

- pension schemes, primarily comprising plans that have been closed to new entrants for several years. The Group's pension schemes are generally unfunded – except for a very limited number that are funded through payments to insurance companies – and are valued based on periodic actuarial calculations;
- termination benefits; and
- long-service awards.

The related obligations recorded in the statement of financial position were as follows:

(€ millions)	December 2017	December 2016
Present value of defined benefit obligations	**217.4**	**203.4**
Of which pension benefits	100.4	90.4
Of which termination benefits	79.6	77.0
Of which long-service awards	37.4	36.0
Fair value of plan assets	**(27.3)**	**(25.1)**
DEFICIT/SURPLUS	**190.1**	**178.3**

The income statement charge by type of benefit was:

(€ millions)	2017	2016
Pension benefits	(6.6)	(5.2)
Termination benefits	(11.8)	(12.8)
Long-service awards	(4.5)	(6.4)
TOTAL	**(22.9)**	**(24.4)**

Pension benefits

The amounts recognized in the statement of financial position in respect of pension benefit obligations were computed as follows:

(€ millions)	**December 2017**	December 2016
Present value of funded obligations	31.3	32.3
Fair value of plan assets	(27.3)	(25.1)
Deficit/(surplus) on funded obligations	**4.0**	**7.2**
Present value of unfunded obligations	69.1	58.1
LIABILITY RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	**73.1**	**65.3**

The table below shows the amounts recognized in the income statement:

(€ millions)	**2017**	2016
Current service cost included in operating profit	**(4.9)**	**(3.3)**
Interest cost	(1.6)	(1.3)
Expected return on pension plan assets	0.3	0.3
TOTAL INCLUDED IN NET FINANCIAL EXPENSE	**(1.3)**	**(1.0)**

The actual return on plan assets was €0.8 million in 2017 versus €1.1 million in 2016.

Movements in the benefit obligation during the period were as follows:

(€ millions)	**2017**	2016
At January 1	**90.4**	**75.0**
Current service cost	4.9	3.3
Interest cost	1.5	1.3
Actuarial losses/(gains)	(0.1)	14.2
Currency translation differences	(2.0)	(2.0)
Benefits paid	(7.2)	(3.5)
Liabilities assumed in a business combination and other movements[(a)]	12.9	2.1
AT DECEMBER 31	**100.4**	**90.4**

(a) Of which €11.3 million in respect of prior period adjustments.

Movements in the fair value of plan assets during the period were as follows:

(€ millions)	**2017**	2016
At January 1	**25.1**	**23.0**
Implicit return on pension plan assets	0.3	0.3
Actuarial (losses)/gains	0.5	0.8
Currency translation differences	(1.5)	(1.7)
Employer contributions	1.6	1.3
Other movements	1.3	1.4
AT DECEMBER 31	**27.3**	**25.1**

Plan assets break down as follows by type of financial instrument:

(€ millions)	**December 2017**		December 2016	
Equity instruments	18.9	69%	24.6	98%
Debt instruments	6.7	25%	0.2	1%
Other	1.7	6%	0.2	1%
TOTAL	**27.3**	**100%**	**25.1**	**100%**

The tables below show the main actuarial assumptions used:

	Germany	France	Italy	United Kingdom	December 2017
Discount rate	1.5%	1.7%	0.8%	2.5%	1.9%
Implicit return on pension plan assets				2.5%	2.5%
Estimated increase in future salary levels	2.0%	3.0%	1.5%	3.3%	3.0%
Estimated increase in future pension benefit levels	1.5%	2.0%	2.6%	2.4%	2.1%

	Germany	France	Italy	United Kingdom	December 2016
Discount rate	1.9%	1.7%	1.0%	2.7%	2.0%
Implicit return on pension plan assets				2.7%	2.7%
Estimated increase in future salary levels	3.4%	3.0%	1.5%	3.4%	3.0%
Estimated increase in future pension benefit levels	1.5%	2.0%	2.6%	2.5%	2.1%

Data for 2017 and 2016 represent the weighted average rate for the four aforementioned countries.

Assumptions concerning future mortality rates are based on published statistics and historical data for each geographical region. INSEE 2012/2014 tables were used for benefit obligations in France.

The discount rate corresponds to the yield on investment grade corporate bonds (iBoxx Corporate € AA) and is the average of the rates used by the four countries of the Group with the most significant obligations. At December 31, 2017, the benefit obligation relating to France, which represented the Group's most significant obligation, totaled €62.9 million (end-2016: €52.6 million). The discount rate used for France in 2017 was 1.70%. An increase of 0.5% in the discount rate would reduce the obligation for France by 7.8%. A decrease of 0.5% in the discount rate would increase the obligation for France by 8.5%.

Termination benefits

The Group's obligations for termination benefits generally relate to lump-sum payments made to employees on retirement. However, in certain countries these obligations also include termination benefits payable to employees who are not retiring. These benefits are covered by unfunded plans.

Movements in the related benefit obligation during the period were as follows:

(€ millions)	2017	2016
At January 1	**77.0**	**70.3**
Current service cost	7.6	8.4
Interest cost	1.2	1.3
Actuarial losses/(gains)	4.0	5.6
Currency translation differences	(2.3)	0.5
Benefits paid	(7.7)	(8.4)
Liabilities assumed in a business combination and other movements	(1.1)	(3.8)
Curtailments and settlements	0.9	3.1
AT DECEMBER 31	**79.6**	**77.0**

The tables below show the main actuarial assumptions used:

	December 2017	December 2016
Discount rate	1.9%	2.0%
Estimated increase in future salary levels	3.0%	3.0%

The discount rate corresponds to the yield on investment grade corporate bonds (iBoxx Corporate € AA) and is the average of the rates used by the four countries of the Group with the most significant obligations. At December 31, 2017, the benefit obligation relating to France, which represented the Group's most significant obligation, totaled €60.8 million (end-2016: €57.0 million). The discount rate used for France in 2017 was 1.56%. An increase of 0.5% in the discount rate would reduce the obligation for France by 7.2%. A decrease of 0.5% in the discount rate would increase the obligation for France by 7.7%.

Long-service awards

Movements in the Group's obligation relating to long-service awards were as follows:

(€ millions)	2017	2016
At January 1	**36.0**	**26.2**
Current service cost	3.7	5.2
Interest cost	0.4	0.5
Currency translation differences	(1.0)	1.7
Benefits paid	(2.0)	(3.1)
Other movements	0.3	5.5
AT DECEMBER 31	**37.4**	**36.0**

The discount rate corresponds to the yield on investment grade corporate bonds and is the average of the rates used by the four countries of the Group with the most significant obligations. At December 31, 2017, the benefit obligation relating to France, which represented the Group's most significant obligation, totaled €23.4 million (end-2016: €22.1 million). The discount rate used for France in 2017 was 1.30%. An increase of 0.5% in the discount rate would reduce the obligation for France by 5.7%. A decrease of 0.5% in the discount rate would increase the obligation for France by 6.1%.

Actuarial gains and losses

(€ millions)	December 2017	December 2016
Cumulative actuarial (gains)/losses recognized in equity at January 1	**67.5**	**48.4**
Actuarial (gains)/losses recognized in equity during the year	**3.4**	**19.1**
Experience adjustments	10.6	5.3
Changes in actuarial assumptions	(6.4)	12.9
Changes in return on pension plan assets	(0.8)	0.9
CUMULATIVE (GAINS)/LOSSES RECOGNIZED IN EQUITY AT DECEMBER 31	**70.9**	**67.5**

Defined contribution plans

Payments made under defined contribution plans in 2017 totaled €80.1 million (2016: €77.5 million).

Note 27 Provisions for liabilities and charges

(€ millions)	December 2016	Additions	Utilized provisions reversed	Surplus provisions reversed	Impact of discounting	Changes in scope of consolidation	Currency translation differences and other movements	December 2017
Provisions for contract-related disputes	57.8	4.1	(10.9)	(2.2)	0.7	-	(2.3)	47.2
Other provisions for liabilities and charges	63.8	26.5	(14.6)	(10.1)	-	2.1	(5.3)	62.4
TOTAL	**121.6**	**30.6**	**(25.5)**	**(12.3)**	**0.7**	**2.1**	**(7.6)**	**109.6**

(€ millions)	December 2015	Additions	Utilized provisions reversed	Surplus provisions reversed	Impact of discounting	Changes in scope of consolidation	Currency translation differences and other movements	December 2016
Provisions for contract-related disputes	57.5	10.2	(8.6)	(2.4)	0.3	-	0.8	57.8
Other provisions for liabilities and charges	76.2	22.3	(41.5)	(1.4)	-	6.8	1.4	63.8
TOTAL	**133.7**	**32.5**	**(50.1)**	**(3.8)**	**0.3**	**6.8**	**2.2**	**121.6**

Provisions for contract-related disputes

In the ordinary course of business, the Group is involved with regard to some of its activities in a number of litigation proceedings seeking to establish its professional liability in connection with services provided. Although the Group takes care to manage risks and the quality of the services it provides, some services may give rise to claims and result in financial penalties.

Changes in provisions for contract-related disputes result from changes in estimates and reflect developments in litigation proceedings during the period and newly identified risks which, in view of the Group's insurance coverage, are not material taken individually. Provisions may be set aside to cover the expenses resulting from such proceedings and are calculated taking into account the Group's insurance policies.

In 2017, the Group decided to recognize a provision for some of these risks in an amount of €4.1 million (2016: €10.2 million) in light of the progress of certain claims.

The calculation of provisions for liabilities and charges at December 31, 2017 reflects changes in the one-off dispute arising in 2004 in relation to the construction of a hotel and shopping complex in Turkey. The amount booked for the dispute arising in 2004 concerning the Gabon Express airplane crash remained unchanged during the year. A detailed description of the status of these disputes is provided in section 1.12 – Legal, administrative, government and arbitration procedures and investigations in the 2017 Registration document.

For specific risks relating to the Government Services business described in section 1.11 – Risk factors, the Group, after taking advice from its counsel, considers that the provisions accrued in respect of the disputes in progress are adequate.

Based on the insurance coverage in place and the latest available information, and having received advice from counsel, the Group does not believe these disputes will have a material adverse impact on its consolidated financial statements.

Otherprovisions for liabilities and charges

Other provisions for liabilities and charges include provisions for restructuring, tax risks, losses on completion and miscellaneous other provisions, the amounts of which are not material taken individually.

The Group set aside an additional amount of €26.5 million under other provisions for liabilities and charges and wrote back provisions in an amount of €24.7 million, representing a net increase of €1.8 million. Provisions relating to restructuring increased by €1.6 million over the period, while provisions for tax risks decreased by €2.1 million. The remaining changes over the period include provisions booked for losses on contracts and provisions relating to other operational risks.

Regarding ongoing tax disputes at the level of Bureau Veritas SA and at the level of the other legal entities, the Group, having taken advice from its counsel, deems that the provisions for other liabilities presented in its financial statements reflect the best assessment of the potential consequences of these disputes.

There are no legal, administrative, government and arbitration procedures and investigations (including any proceedings of which the Company is aware that are pending or with which the Group is threatened) that could have, or have had over the last 12 months, a material impact on the Group's financial position or profitability.

Note 28 Trade and other payables

(€ millions)	December 2017	December 2016
Trade payables	372.8	347.9
Prepaid income	147.6	127.8
Accrued taxes and payroll costs	541.5	501.2
Other payables	57.9	64.6
TOTAL	**1,119.8**	**1,041.5**

Prepaid income primarily corresponds to amounts invoiced on contracts in progress for services that have not yet been performed.

Note 29 Movements in working capital attributable to operations

Movements in working capital attributable to operations can be analyzed as follows:

(€ millions)	December 2017	December 2016
Trade receivables	(94.7)	(34.9)
Trade payables	35.6	(3.4)
Other receivables and payables	(0.4)	1.1
MOVEMENTS IN WORKING CAPITAL ATTRIBUTABLE TO OPERATIONS	**(59.5)**	**(37.2)**

Note 30 Discontinued operations

In early 2017, the Group decided to discontinue part of its European non-destructive testing operations as part of efforts to streamline its Industry portfolio.

Some of these operations were carried out in France by CEPI and the CEPI CTE ASCOT economic interest group. This business was sold on December 1, 2017.

Gains and losses on remeasuring to fair value, profit (loss) for the period and profit (loss) on deconsolidating the French business are shown within “Profit (loss) from discontinued operations” in the income statement for a total net negative amount of €5.1 million.

The Group’s other non-destructive testing operations are carried out in Germany by Bureau Veritas Material Testing GmbH.

This company’s assets were written down to their fair value at the beginning of the year. This fair value remeasurement and the estimated costs of winding up the business are included in “Profit (loss) on discontinued operations” in the income statement for a net negative amount of €3.5 million.

The assets and liabilities of the discontinued operation were reclassified to specific lines of the statement of financial position at their carrying amount following their remeasurement to fair value:

(€ millions)	December 2017	December 2016
Non-current assets	0.8	-
Current assets	0.4	-
TOTAL ASSETS	**1.2**	**-**
Non-current liabilities	(0.9)	-
Current liabilities	(0.1)	-
TOTAL EQUITY AND LIABILITIES	**(1.0)**	**-**

The impact of discontinued operations on cash and cash equivalents for the period as well as on indicators in the consolidated statement of cash flows was not material.

The table below shows the various components of “Profit (loss) on discontinued operations”:

(€ millions)	December 2017	December 2016
Fair value remeasurement	(5.4)	-
Net profit for the year	(2.5)	-
Gains/(losses) on disposals of businesses	(0.7)	-
NET PROFIT (LOSS) ON DISCONTINUED OPERATIONS	**(8.6)**	**-**

Note 31 Earnings per share

Details of the calculation of the weighted average number of ordinary and diluted shares outstanding used to compute basic and diluted earnings per share are provided below:

(in thousands)	2017	2016
Number of shares comprising the share capital at January 1	**442,000**	**442,000**
Number of shares issued during the year (accrual basis)		
Stock purchase or subscription options exercised	384	188
Number of shares held in treasury	(5,961)	(5,040)
Weighted average number of ordinary shares outstanding	**436,423**	**437,148**
Dilutive impact		
Performance shares awarded	3,595	2,867
Stock subscription or purchase options	(84)	129
WEIGHTED AVERAGE DILUTED NUMBER OF SHARES USED TO CALCULATED DILUTED EARNINGS PER SHARE	**439,934**	**440,144**

Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

	2017	2016
Net profit attributable to owners of the Company (*€ thousands*)	308,003	319,445
Weighted average number of ordinary shares outstanding (*in thousands*)	436,423	437,148
BASIC EARNINGS PER SHARE (€)	**0.70**	**0.73**

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the conversion of dilutive potential ordinary shares.

The Company has two categories of dilutive potential ordinary shares: stock subscription options and performance shares.

For stock subscription options, a calculation is carried out in order to determine the number of shares that could have been issued based on the exercise price and the fair value of the subscription rights attached to the outstanding stock options. The number of shares calculated as above is then compared with the number of shares that would have been issued had the stock options been exercised.

Performance shares are potential ordinary shares whose award is contingent on having completed a minimum period of service and achieving a series of performance targets. The performance shares taken into account are those that could have been issued assuming December 31 was the end of the vesting period.

	2017	2016
Net profit attributable to owners of the Company (*€ thousands*)	308,003	319,445
Weighted average number of ordinary shares outstanding (*in thousands*)	436,423	437,148
DILUTED EARNINGS PER SHARE (€)	**0.71**	**0.73**

Note 32 Dividend per share

On May 22, 2017, the Group paid out dividends on eligible shares totaling €239.8 million in respect of 2016, corresponding to a dividend per share of €0.55 (2016: €0.51).

Note 33 Off-balance sheet commitments and pledges

The Group's commitments primarily relate to financing activities (credit lines, warranties and guarantees given), as well as obligations under operating leases.

Off-balance sheet commitments relating to financing activities

2017 US Private Placement carried on the books of Bureau Veritas Holdings, Inc.

At December 31, 2017, the Group has a non-bank financing facility totaling USD 200 million that is carried on the books of Bureau Veritas Holdings, Inc. and secured by the parent company.

Off-balance sheet commitments relating to operating activities

Guarantees given

Guarantees given break down as follows by amount and maturity:

(€ millions)	Total	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
At December 31, 2017	**356.8**	**207.6**	**116.9**	**32.3**
At December 31, 2016	421.2	231.2	165.8	24.2

Guarantees given include bank guarantees and parent company guarantees:

- Bank guarantees: these are primarily bid and performance bonds.
  - bid bonds cover their beneficiaries in the event that a commercial offering is withdrawn, a contract is not signed, or requested guarantees are not provided,
  - performance bonds guarantee the buyer that the Group will meet its contractual obligations as provided under contract.

  They usually represent a percentage of the contract price – generally around 10%;
- Parent company guarantees: these concern performance bonds which may be for a limited amount and duration or an unlimited amount. The amount taken into account to measure performance bonds for an unlimited amount is the total value of the contract.

At December 31, 2017 and 2016, the Group considered that the risk of a cash outflow on these guarantees was low.

Operating leases: commitments and recognized lease charges

The Group leases offices, laboratories and equipment under both non-cancelable and cancelable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

Recognized lease charges can be analyzed as follows:

(€ millions)	2017	2016
Operating lease charges	**150.3**	**144.2**
Of which property leases	137.6	132.2
Of which equipment leases	12.7	12.0

Future aggregate minimum lease payments under non-cancelable operating leases relating to property (excluding rental service charges) can be analyzed as follows:

(€ millions)	December 2017	December 2016
Future minimum lease payments	**310.0**	**330.3**
Due within 1 year	107.0	115.5
Due between 1 and 5 years	159.4	165.4
Due beyond 5 years	43.6	49.4

Transition to IFRS 16

The Group is currently analyzing the impact of IFRS 16 on its lease recognition principles.

Future lease charges recognized to date in accordance with IAS 17 relate solely to non-cancellable real estate leases. However, the Group's strategy is to introduce a certain degree of flexibility into its lease portfolio by using renewal options which it may choose to exercise at its discretion. Some such leases could be considered as being almost certain and therefore accounted for as non-cancellable leases within the meaning of IFRS 16.

Pledges

(€ millions)	Type	Amount of assets pledged (a)	Total amount in statement of financial position (b)	Corresponding %(a)/(b)
At December 31, 2017				
Other current financial assets	Pledge	1.1	20.3	5.4%
Other non-current financial assets	Pledge	3.9	118.4	3.3%
TOTAL ASSETS PLEDGED		**5.0**	**5,369.8**	**0.1%**
At December 31, 2016				
Other non-current financial assets	Pledge	4.4	69.2	6.4%
TOTAL ASSETS PLEDGED		**4.4**	**6,095.2**	**0.1%**

Current and non-current financial assets had been pledged by the Group for a total carrying amount of €5.0 million at December 31, 2017.

None of the Group's intangible assets or property, plant and equipment had been pledged at either December 31, 2017 or December 31, 2016.

Note 34 Additional financial instrument disclosures

The table below presents the carrying amount, valuation method and fair value of financial instruments classified in each IAS 39 category at the end of each reporting period:

	IAS 39 category	Carrying amount	IAS 39 measurement method				Fair value
			Amortized cost	Cost	Fair value through equity	Fair value through profit or loss	
At December 31, 2017							
Financial assets							
Investments in non-consolidated companies	FVPL	1.3	-	-	-	-	1.3
Other non-current financial assets	HTM	118.4	118.4	-	-	-	118.4
Trade and other receivables	LR	1,520.0	1,520.0	-	-	-	1,520.0
Current financial assets	LR	20.3	20.3	-	-	-	20.3
Derivative financial instruments	FVPL/FVE	3.8				3.8	3.8
Cash and cash equivalents	FVPL	364.3	-	-	-	364.3	364.3
Financial liabilities							
Bank borrowings and debt	AC	2,439.1	2,439.1	-	-	-	2,530.6
Bank overdrafts	FVPL	9.8	-	-	-	9.8	9.8
Other non-current financial liabilities	AC/FVE	120.2	61.5	-	58.7	-	120.2
Trade and other payables	AC	1,119.8	1,119.8	-	-	-	1,119.8
Current financial liabilities	AC/FVE	114.1	81.3	-	32.8	-	114.1
Derivative financial instruments	FVPL/FVE	16.4	-	-	9.8	6.6	16.4
At December 31, 2016							
Financial assets							
Investments in non-consolidated companies	FVPL	1.3	-	-	-	1.3	1.3
Other non-current financial assets	HTM	69.2	69.2	-	-	-	69.2
Trade and other receivables	LR	1,439.3	1,439.3	-	-	-	1,439.3
Current financial assets	LR	51.0	51.0	-	-	-	51.0
Derivative financial instruments	FVPL/FVE	3.7	-	-	-	3.7	3.7
Cash and cash equivalents	FVPL	1,094.1	-	-	-	1,094.1	1,094.1
Financial liabilities							
Bank borrowings and debt	AC	3,076.4	3,076.4	-	-	-	3,278.4
Bank overdrafts	FVPL	6.0	-	-	-	6.0	6.0
Other non-current financial liabilities	AC/FVE	74.8	66.2	-	8.6	-	74.8
Trade and other payables	AC	1,041.5	1,041.5	-	-	-	1,041.5
Current financial liabilities	AC/FVE	106.3	73.2	-	33.1	-	106.3
Derivative financial instruments	FVPL/FVE	16.1	-	-	8.1	8.0	16.1

NB: The following abbreviations are used to represent IAS 39 financial instrument categories:

- *HTM for held-to-maturity assets;*
- *LR for loans and receivables;*
- *FVPL for instruments at fair value through profit or loss (excluding accrued interest not yet due);*
- *FVE for instruments at fair value through equity (excluding accrued interest not yet due);*
- *AC for financial debt measured at amortized cost.*

With the exception of the items listed below, the Group considers the carrying amount of the financial instruments reported on the statement of financial position to approximate their fair value.

The fair value of current financial instruments such as SICAV mutual funds is their last known net asset value (level 1 in the fair value hierarchy).

The fair value of cash, cash equivalents and bank overdrafts is their face value in euros or equivalent value in euros translated at the closing exchange rate. Since these assets and liabilities are very short-term items, the Group considers that their fair value approximates their carrying amount.

The fair value of each of the Group's fixed-rate facilities (USPP 2008, USPP 2010, USPP 2011, USPP 2014, USPP 2017, SSD and the three bond issues) is determined based on the present value of future cash flows discounted at the appropriate market rate for the currency concerned (euros, pounds sterling or US dollars) at the end of the reporting period, adjusted to reflect the Group's own credit risk. The fair value of the Group's floating-rate facilities (2012 syndicated loan, 2013 USPP, 2014 USPP, and certain tranches of the SSD facility) is close to their carrying amount. This corresponds to level 2 in the fair value hierarchy (fair value based on observable market inputs).

The fair value of exchange derivatives is equal to the difference between the present value of the amount sold or purchased in a given currency (translated into euros at the futures rate) and the amount sold or purchased in this same currency (translated into euros at the closing rate).

The fair value of currency derivatives is determined by discounting the present value of future cash flows (interest receivable in pounds sterling and payable in euros, along with the future purchase of pounds sterling against euros) over the remaining term of the instrument at the end of the reporting period. The discount rates used are the market rates that correspond to the maturity of the cash flows. The present value of the cash flows denominated in pounds sterling is translated into euros at the closing exchange rate.

The fair value of foreign exchange derivatives and other currency instruments is calculated using valuation techniques drawing on observable market inputs (level 2 of the fair value hierarchy) and generally accepted pricing models.

The nature of the gains and losses arising on each financial instrument category can be analyzed as follows:

(€ millions)		Interest	Adjustments for: Fair value	Amortized cost	Exchange differences	Accumulated impairment	Net gains/(losses) in December 2017	Net gains/(losses) in December 2016
Held-to-maturity assets	HTM	-	-	-	-	-	-	-
Loans and receivables	LR	-	-	-	(16.5)	8.3	(8.2)	(5.1)
Financial assets and liabilities at fair value through profit or loss	FVPL	1.3	-	-	0.1	-	0.1	(2.8)
Borrowings and financial debt carried at amortized cost	AC	(88.1)	-	-	4.3	-	4.3	11.0
TOTAL		**(86.8)**	**-**	**-**	**(12.1)**	**8.3**	**(3.8)**	**3.1**

Sensitivity analysis

Due to the international scope of its operations, the Group is exposed to currency risk on its use of several different currencies, even though hedges arise naturally with the matching of income and expenses in a number of Group entities where services are provided locally.

Operational currency risk

For the Group's businesses present in local markets, income and expenses are mainly expressed in local currencies. For the Group's businesses relating to international markets, part of the revenue is denominated in US dollars.

The proportion of 2017 consolidated revenue denominated in USD generated in countries with functional currencies other than the US dollar or currencies linked to the USD, totaled 9%.

The impact of a 1% rise or fall in the US dollar against all other currencies would have had an impact of 0.1% on consolidated Group revenue.

Translation risk

Since the presentation currency of the financial statements is the euro, the Group translates any foreign currency income and expenses into euros when preparing its financial statements, using the average exchange rate for the period. As a result, changes in the value of the euro against other currencies affect the amounts reported in the consolidated financial statements, even though the value of the items concerned remains unchanged in their original currencies.

In 2017, over 71% of Group revenue resulted from the consolidation of financial statements of entities with functional currencies other than the euro:

- 18.7% of revenue was generated by entities whose functional currency is the US dollar or a currency linked to the US dollar (including the Hong Kong dollar);
- 11.2% of revenue was generated by entities whose functional currency is the Chinese yuan;
- 4.0% of revenue was generated by entities whose functional currency is the Canadian dollar;
- 3.9% of revenue was generated by entities whose functional currency is the Australian dollar;
- 3.8% of revenue was generated by entities whose functional currency is the Brazilian real;
- 3.7% of revenue was generated by entities whose functional currency is the pound sterling.

Other currencies taken individually did not account for more than 4% of Group revenue.

The impact of a 1% rise or fall in the euro against the US dollar and other linked currencies would have had an impact of 0.19% on 2017 consolidated revenue and of 0.19% on 2017 operating profit.

Financial currency risk

If it deems appropriate, the Group may hedge certain commitments by matching financing costs with operating income in the currencies concerned.

When financing arrangements are set up in a currency other than the country's functional currency, the Group takes out foreign exchange or currency hedges for the main currencies or uses perpetuity financing to protect itself against the impact of currency risk on its income statement.

The table below shows the results of the sensitivity analysis for financial instruments exposed to currency risk on the Group's main foreign currencies (euro, US dollar and pound sterling) at December 31, 2017.

	Non-functional currency		
(€ millions)	**USD**	**EUR**	**GBP**
Financial liabilities	(775.9)	(88.1)	(67.1)
Financial assets	1,050.9	61.2	93.9
Net position (Assets-Liabilities) before hedging	**275.0**	**(26.9)**	**26.8**
Currency hedging instruments	239.3		(2.1)
Net position (assets – liabilities) after hedging	**514.3**	**(26.9)**	**24.7**
Impact of a 1% rise in exchange rates			
On equity	-	-	(1.9)
On net profit before income tax	5.1	(0.3)	0.2
Impact of a 1% fall in exchange rates			
On equity	-	-	1.3
On net profit before income tax	(5.1)	0.3	(0.2)

The Group is exposed to currency risk inherent to financial instruments denominated in foreign currencies (i.e., currencies other than the functional currency of each Group entity). The sensitivity analysis presented above shows the impact that a significant change in the value of the euro, US dollar and pound sterling would have on earnings and equity in a non-functional currency. The analysis for the US dollar does not include entities whose functional currency is strongly correlated to the US dollar, for example Group entities based in Hong Kong. Liabilities denominated in a currency other than the functional currency of the entity, for which a hedge has been taken out converting the liability to the functional currency, have not been included in the analysis. The impact of a 1% change in exchange rates on hedges is shown in the table above.

Financial instruments denominated in foreign currencies which are included in the sensitivity analysis relate to key monetary statement of financial position items and in particular, current and non-current financial assets, trade and operating receivables, cash and cash equivalents, current and non-current borrowings and financial debt, current liabilities, and trade and other payables.

Interest rate risk

The Group's interest rate risk arises primarily from assets and liabilities bearing interest at floating rates. The Group seeks to limit its exposure to a rise in interest rates and may use interest rate instruments where appropriate.

Interest rate exposure is monitored on a monthly basis. The Group continually analyses the level of hedges put in place and ensures that they are appropriate for the underlying exposure. The Group's policy at all times is to prevent more than 60% of its consolidated net debt being exposed to the risk of a rise in interest rates. The Group may therefore enter into other swaps, collars or similar instruments for this purpose. No financial instruments are contracted for speculative purposes. At December 31, 2017, the Group had no interest rate hedges.

The table below shows the maturity of fixed- and floating-rate financial assets and liabilities at December 31, 2017:

(€ millions)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total at December 2017
Fixed-rate bank borrowings and debt	(191.2)	(1,091.4)	(865.0)	(2,147.6)
Floating-rate bank borrowings and debt	(8.0)	(283.6)	-	(291.6)
Bank overdrafts	(9.8)	-	-	(9.8)
Total – Financial liabilities	**(209.0)**	**(1,375.0)**	**(865.0)**	**(2,449.0)**
Total – Financial assets	**364.3**			**364.3**
Floating-rate net position (assets – liabilities) before hedging	346.5	(283.6)	-	62.9
Interest rate hedges	-	-	-	-
Floating-rate net position (assets – liabilities) after hedging	346.5	(283.6)	-	62.9
Impact of a 1% rise in interest rates				
On equity				-
On net profit before income tax				0.6
Impact of a 1% fall in interest rates				
On equity				-
On net profit before income tax				(0.6)

At December 31, 2017, given the net floating-rate position after hedging, the Group considers that a 1% rise in short-term interest rates across all currencies would lead to an increase of around €0.6 million in interest income.

Debts maturing after five years, representing a total amount of €865.0 million, are essentially at fixed rates. At December 31, 2017, 88% of the Group's consolidated gross debt was at fixed rates.

Note 35 Related-party transactions

Parties related to the Company are its majority shareholder Wendel as well as the Chairman of the Board of Directors and the Chief Executive Officer (Corporate Officers of the Company).

As from March 8, 2017, the compensation due or awarded to the Chairman of the Board comprises fixed compensation and Directors' fees, and excludes any and all types of variable compensation, benefits in kind, stock options and performance shares.

Amounts recognized with respect to compensation paid (fixed and variable portions) and long-term compensation plans (stock purchase options and performance share awards) are as follows:

(€ millions)	2017	2016
Wages and salaries	1.7	1.7
Stock options	0.3	0.5
Performance shares awarded	1.5	2.0
TOTAL EXPENSE RECOGNIZED FOR THE PERIOD	**3.5**	**4.2**

The amounts in the above table reflect the fair value for accounting purposes of options and shares in accordance with IFRS. Consequently, they do not represent the actual amounts that may be paid if any stock subscription options are exercised or any performance shares vest. Stock options and performance shares require a minimum period of service and are also subject to a number of performance conditions.

Shares are measured at fair value as calculated under the Black-Scholes model rather than based on the compensation effectively received. The performance share awards require a minimum period of service and are also subject to a number of performance conditions.

The Chief Executive Officer held a total of 510,960 stock purchase options at December 31, 2017 (630,720 at December 31, 2016), with a fair value per share of €2.23 (end-2016: €2.41).

The number of performance shares awarded to the Chief Executive Officer amounted to 890,320 at December 31, 2017 (930,240 at December 31, 2016).

Note 36 Fees paid to Statutory Auditors

The following amounts were expensed in the Group's 2017 income statement:

	2017			2016		
(€ millions)	PwC	EY	Total	PwC	EY	Total
Statutory audit	**2.5**	**1.8**	**4.3**	**2.3**	**1.5**	**3.8**
Issuer	0.6	0.5	1.1	0.5	0.5	1.0
Fully consolidated subsidiaries	1.9	1.3	3.2	1.8	1.0	2.8
Services other than the statutory audit[a]	**0.9**	**0.2**	**1.1**	**1.0**	**0.1**	**1.1**
Issuer	0.2	-	0.2	0.3	0.1	0.4
Fully consolidated subsidiaries	0.7	0.2	0.9	0.7	-	0.7
Other services provided by members of the auditors' networks to consolidated subsidiaries[a]	**0.5**	**0.5**	**1.0**	**0.5**	**0.5**	**1.0**
Tax, legal and employee-related services	0.5	0.5	1.0	0.5	0.5	1.0
TOTAL	**3.9**	**2.5**	**6.4**	**3.8**	**2.1**	**5.9**

(a) As part of the European audit reform which entered into force on June 17, 2016, services provided by the Statutory Auditors and their networks – other than the audit of the financial statements – have respected the pre-approval procedure implemented by the Group Audit and Risk Committe.

For 2017, services provided to the Group – other than the audit of the financial statements – related to:

- for PricewaterhouseCoopers Audit: consulting, legal compliance, reports and agreed-upon procedures;
- for Ernst & Young: consulting.

Note 37 Events after the end of the reporting period

Acquisition

On January 4, 2018, the Group announced that it had acquired Lubrication Management SL, a Spanish company, European leader in analyses of lubrication oils.

On March 1, 2018, Bureau Veritas completed the acquisition of EMG Corporation, a US leader in construction technical assessment and project management assistance, asset management assistance and transaction services.

Dividends paid

The resolutions to be submitted for approval at the Ordinary Shareholders' Meeting of May 15, 2018 recommend a dividend of €0.56 per share in respect of 2017.

Note 38 Scope of consolidation

Fully consolidated companies at December 31, 2017

Type: Subsidiary (S); Bureau Veritas SA branch (B).

			2017		2016	
Country	Company	Type	% control	% interest	% control	% interest
Algeria	Bureau Veritas Algérie SARL	S	100.00	100.00	100.00	100.00
Angola	Bureau Veritas Angola Limitada	S	100.00	100.00	100.00	100.00
Argentina	Bureau Veritas Argentina SA	S	100.00	100.00	100.00	100.00
Argentina	ACME Analytical Laboratories (Argentina) SA	S	100.00	100.00	100.00	100.00
Argentina	Net Connection International SRL	S	100.00	100.00	100.00	100.00
Argentina	CH International Argentina SRL	S	100.00	100.00	100.00	100.00
Argentina	Schutter Argentina SA	S	100.00	100.00		
Armenia	BIVAC Armenia	S	100.00	100.00	100.00	100.00
Australia	Bureau Veritas AsureQuality Finance PTY Ltd.	S	51.00	51.00	51.00	51.00
Australia	Bureau Veritas AsureQuality Holding PTY Ltd.	S	51.00	51.00	51.00	51.00
Australia	Dairy Technical Services Pty Ltd.	S	51.00	51.00	51.00	51.00
Australia	Bureau Veritas Australia Pty Ltd.	S	100.00	100.00	100.00	100.00
Australia	Bureau Veritas HSE	S	100.00	100.00	100.00	100.00
Australia	Bureau Veritas Asset Integrity & Reliability Services Australia Pty Ltd.	S	100.00	100.00	100.00	100.00
Australia	Bureau Veritas Asset Integrity & Reliability Services Pty Ltd.	S	100.00	100.00	100.00	100.00
Australia	Bureau Veritas International Trade Pty Ltd.	S	100.00	100.00	100.00	100.00
Australia	Bureau Veritas Minerals Pty Ltd.	S	100.00	100.00	100.00	100.00
Australia	Ultra Trace Pty Ltd.	S	100.00	100.00	100.00	100.00
Australia	Matthews Daniel Int. (Australia) Pty	S	100.00	100.00	100.00	100.00
Australia	TMC Marine Pty Ltd.	S	100.00	100.00	100.00	100.00
Australia	McKenzie Group Consulting Pty Ltd.	S	65.00	65.00		
Australia	McKenzie Group Consulting (NSW) Pty Ltd.	S	65.00	65.00		
Australia	McKenzie Group Consulting (QLD) Pty Ltd.	S	65.00	65.00		
Australia	McKenzie Group Consulting (VIC) Pty Ltd.	S	65.00	65.00		
Austria	Bureau Veritas Austria GmbH	S	100.00	100.00	100.00	100.00
Azerbaijan	Bureau Veritas Azeri Ltd. Liability Company	S	100.00	100.00	100.00	100.00
Bahamas	Inspectorate Bahamas Ltd.	S	100.00	100.00	100.00	100.00
Bahrain	Bureau Veritas sa – Bahrain	B	100.00	100.00	100.00	100.00
Bangladesh	Bureau Veritas CPS Bangladesh Ltd.	S	99.80	99.80	99.80	99.80
Bangladesh	BIVAC Bangladesh	S	100.00	100.00	100.00	100.00
Bangladesh	Bureau Veritas CPS Bangladesh Ltd.	S	100.00	100.00	100.00	100.00
Bangladesh	Bureau Veritas Bangladesh Private Ltd.	S	100.00	100.00	100.00	100.00
Belarus	Bureau Veritas Bel Ltd. FLLC	S	100.00	100.00	100.00	100.00
Belgium	Bureau Veritas Certification Belgium	S	100.00	100.00	100.00	100.00
Belgium	Association Bureau Veritas ASBL	S	100.00	100.00	100.00	100.00
Belgium	Bureau Veritas Marine Belgium & Luxembourg SA	S	100.00	100.00	100.00	100.00
Belgium	Inspectorate Ghent NV	S	100.00	100.00	100.00	100.00
Belgium	Inspectorate Antwerp NV	S	100.00	100.00	100.00	100.00
Belgium	UniCar Benelux SPRL	S	100.00	100.00	100.00	100.00
Belgium	SA Euroclass NV	S	100.00	100.00	100.00	100.00
Belgium	Bureau Veritas sa- Belgium	B	100.00	100.00	100.00	100.00
Belgium	Schutter Belgium BVBA	S	100.00	100.00		
Benin	Société d'exploitation du guichet unique du Bénin - SEGUB SA	S	51.00	46.00	51.00	46.00
Benin	BIVAC International Bénin SARL	S	100.00	100.00	100.00	100.00
Benin	Bureau Veritas Bénin SARL	S	100.00	100.00	100.00	100.00
Bermuda	MatthewsDaniel Services (Bermuda) Ltd.	S	100.00	100.00	100.00	100.00
Bermuda	MatthewsDaniel Holdings (Bermuda) Ltd.	S	100.00	100.00	100.00	100.00

Country	Company	Type	2017 % control	2017 % interest	2016 % control	2016 % interest
Bolivia	Bureau Veritas Fiscalizadora Boliviana SRL	S	100.00	100.00	100.00	100.00
Bolivia	Bureau Veritas Argentina SA Bolivia branch	S	100.00	100.00	100.00	100.00
Bosnia	Bureau Veritas BH DOO Sarajevo	S	100.00	100.00	100.00	100.00
Brazil	Bureau Veritas do Brasil Sociedade Classificadora e Certificadora Ltda.	S	100.00	100.00	100.00	100.00
Brazil	BVQI do Brasil Sociedade Certificadora Ltda	S	100.00	100.00	100.00	100.00
Brazil	Auto Reg Serviços Técnicos de Seguros Ltda	S	100.00	100.00	100.00	100.00
Brazil	Inspectorate do Brasil Inspeções Ltda	S	100.00	100.00	100.00	100.00
Brazil	ACME Analytical Laboratorios Ltda.	S	100.00	100.00	100.00	100.00
Brazil	Matthews Daniel do Brasil Avaliaçao de Riscos Ltda	S	100.00	100.00	100.00	100.00
Brazil	NCC Certificaçoes do Brazil Ltda	S	100.00	100.00	100.00	100.00
Brazil	Ch International do Brazil Ltda	S	100.00	100.00	100.00	100.00
Brazil	Associação NCC Certificações do Brasil	S	100.00	100.00	100.00	100.00
Brazil	Kuhlmann Monitoramente Agricola Ltda	S	100.00	100.00	100.00	100.00
Brazil	Schutter do Brazil Ltda	S	100.00	100.00		
Brunei	Bureau Veritas sa - Brunei	B	100.00	100.00	100.00	100.00
Bulgaria	Bureau Veritas Bulgaria Ltd.	S	100.00	100.00	100.00	100.00
Bulgaria	Inspectorate Bulgaria EOOD	S	100.00	100.00	100.00	100.00
Burkina Faso	Bureau Veritas Burkina Faso Ltd.	S	100.00	100.00	100.00	100.00
Burma	Myanmar Bureau Veritas Ltd.	S	100.00	100.00	100.00	100.00
Cambodia	Bureau Veritas (Cambodia) Ltd.	S	100.00	100.00	100.00	100.00
Cameroon	Bureau Veritas Douala SAU	S	100.00	100.00	100.00	100.00
Canada	Bureau Veritas Canada Inc.	S	100.00	100.00	100.00	100.00
Canada	Bureau Veritas Certification Canada Inc	S	100.00	100.00	100.00	100.00
Canada	Maxxam Analytics International Corporation	S	100.00	100.00	100.00	100.00
Canada	Bureau Veritas Commodities Canada Ltd.,	S	100.00	100.00	100.00	100.00
Canada	MatthewsDaniel International (Canada) Ltd.	S	100.00	100.00	100.00	100.00
Canada	MatthewsDaniel International (Newfoundland) Ltd.	S	100.00	100.00	100.00	100.00
Canada	Primary Integration Solutions Canada	S	100.00	76.90		
Central African Republic	BIVAC Export RCA SARL	S	100.00	100.00	100.00	100.00
Chad	Société d'Inspection et d'Analyse du Tchad (SIAT)	S	51.00	51.00	51.00	51.00
Chad	Bureau Veritas Tchad SAU	S	100.00	100.00	100.00	100.00
Chad	BIVAC Tchad SA	S	100.00	100.00	100.00	100.00
Chile	Bureau Veritas Chile SA	S	100.00	100.00	100.00	100.00
Chile	Bureau Veritas Certification Chile SA	S	100.00	100.00	100.00	100.00
Chile	Bureau Veritas Chile Capacitacion Ltd.	S	100.00	100.00	100.00	100.00
Chile	ECA Control y Asesoramiento SA	S	100.00	100.00	100.00	100.00
Chile	Centro de Estudios Medicion y Certificacion de Calidad Cesmec SA	S	100.00	100.00	100.00	100.00
Chile	Inspectorate Servicios de Inspeccion Chile Ltda	S	100.00	100.00	100.00	100.00
China	Bureau Veritas CPS Jiangsu Co Ltd.	S	60.00	51.00	60.00	51.00
China	Zhejiang Bureau Veritas CPS Shenyue Co., Ltd.	S	60.00	51.00	60.00	51.00
China	Bureau Veritas CPS (Shenou) Zhejiang Co Ltd.	S	60.00	51.00	60.00	51.00
China	Beijing Huali Bureau Veritas Technical Service Co. Ltd.	S	60.00	60.00	60.00	60.00
China	Bureau Veritas-CQC Testing Technology Co. Ltd.	S	60.00	60.00	60.00	60.00
China	Hangzhou VEO Standards Technical Services Co. Ltd.	S	65.00	65.00	65.00	65.00
China	Bureau Veritas Commodities (Hebei) Co. Ltd.	S	67.00	67.00	67.00	67.00
China	Shandong Chengxin Engineering Consulting & Jianli Co. Ltd.	S	70.00	70.00	70.00	70.00
China	Ningbo Hengxin Engineering Testing Co Ltd.	S	100.00	100.00	70.00	70.00
China	Shandong Hengyuan Engineering Consulting	S	100.00	70.00	100.00	70.00
China	Bureau Veritas Shenzhen Co Ltd.	S	80.00	80.00	80.00	80.00
China	Chongqing Liansheng Construction Project Management Co. Ltd.	S	80.00	80.00	80.00	80.00
China	Chongqing Liansheng Seine cost consulting Co Ltd.	S	80.00	80.00	80.00	80.00
China	Wuhu Liansheng Construction Project Management Co., Ltd.	S	80.00	80.00	80.00	80.00
China	Chongoing Liansheng Henggu Construction Testing Co. Ltd.	S	80.00	80.00	80.00	80.00

			2017		2016	
Country	Company	Type	% control	% interest	% control	% interest
China	Bureau Veritas CPS Shanghai Co Ltd.	S	85.00	85.00	85.00	85.00
China	Inspectorate (Shanghai) Ltd. JV China	S	85.00	85.00	85.00	85.00
China	Bureau Veritas Hong Kong Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas Investment (Shanghai) Co Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas LCIE China Company Limited	S	100.00	100.00	100.00	100.00
China	Bureau Veritas Certification Hong Kong Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas Certification Beijing Co. Ltd.	S	100.00	100.00	100.00	100.00
China	BIVAC Asian Cre (Shanghai) Inspection CO. Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas Hong-Kong Branch Marine	S	100.00	100.00	100.00	100.00
China	Bureau Veritas CPS Hong-Kong Ltd.	S	100.00	100.00	100.00	100.00
China	Tecnitas Far East Co, Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas CPS Guangzhou Co. Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas (Tianjin) Safety Technology Co Ltd.	S	100.00	100.00	100.00	100.00
China	NDT Technology Holding Company	S	100.00	100.00	100.00	100.00
China	Bureau Veritas-Fairweather Inspection & Consultants Co Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas Marine China Co Ltd.	S	100.00	100.00	100.00	100.00
China	ADT (Shanghai) corporation	S	100.00	100.00	100.00	100.00
China	Bureau Veritas Quality Services Shanghai Co., Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas 7 Layers Communications Technology (Shenzen) Co Ltd.	S	100.00	100.00	100.00	100.00
China	Bureau Veritas CPS HK Hsinchu Branch	S	100.00	100.00	100.00	100.00
China	Beijing Huaxia Supervision Co Ltd.	S	100.00	100.00	100.00	100.00
China	Shanghai Davis Testing Technology Ltd.	S	100.00	100.00	100.00	100.00
China	Matthews Daniel Offshore (Hong Kong) Ltd.	S	100.00	100.00	100.00	100.00
China	Shanghai TJU Engineering Service Co Ltd.	S	70.00	70.00	100.00	100.00
China	Centre of Testing Service (Ningbo) Co Ltd.	S	100.00	100.00	100.00	100.00
China	Bizheng Engineering Technical Consulting (Shanghai) Co. Ltd.	S	100.00	100.00	100.00	100.00
China	Shanghai Project Management Co., Ltd..	S	68.00	68.00		
China	SIEMIC (Shenzhen-China) InfoTech Ltd.	S	100.00	100.00		
China	SIEMIC (Nanjing-China) Infotech Ltd.	S	100.00	100.00		
China	Smart Car Testing and Certification Co	S	60.00	60.00		
China	Wuhan Detect Technology Company Ltd.	S	100.00	100.00	100.00	100.00
China	ICTK Shenzhen Co. Ltd.	S	55.00	55.00		
Colombia	Bureau Veritas Colombia Ltda	S	100.00	100.00	100.00	100.00
Colombia	BVQI Colombia Ltda	S	100.00	100.00	100.00	100.00
Colombia	ECA Interventorias Y Consultorias de Colombia Ltd.	S	100.00	100.00	100.00	100.00
Colombia	Inspectorate Colombia Ltd.	S	100.00	100.00	100.00	100.00
Colombia	T H Hill Colombia branch	S	100.00	100.00	100.00	100.00
Colombia	Tecnicontrol SAS	S	100.00	100.00	100.00	100.00
Colombia	PRI Colombia SAS	S	100.00	100.00	100.00	100.00
Congo	Bureau Veritas Congo SAU	S	100.00	100.00	100.00	100.00
Congo	Bureau Veritas BIVAC BV	S	100.00	100.00		
Côte d'Ivoire	BIVAC Scan Côte d'Ivoire SA	S	61.99	61.99	61.99	61.99
Côte d'Ivoire	Bureau Veritas Côte d'Ivoire SAU	S	100.00	100.00	100.00	100.00
Côte d'Ivoire	BIVAC Côte d'Ivoire CI SAU	S	100.00	100.00	100.00	100.00
Côte d'Ivoire	Bureau Veritas Mineral Laboratories SAU	S	100.00	100.00	100.00	100.00
Croatia	Bureau Veritas Croatia SARL	S	100.00	100.00	100.00	100.00
Croatia	Inspectorate Croatia Ltd.	S	100.00	100.00	100.00	100.00
Cuba	Bureau Veritas sa - Cuba	B	100.00	100.00	100.00	100.00
Cyprus	Bureau Veritas Cyprus Ltd.	S	100.00	100.00	100.00	100.00
Czech Republic	Bureau Veritas Czech Republic, spol. s r.o.	S	100.00	100.00	100.00	100.00
Democratic Republic of Congo	Société d'Exploitation du Guichet Unique du Commerce Extérieur de la RDC	S	70.00	70.00	70.00	70.00
Democratic Republic of Congo	BIVAC République Démocratique du Congo SARL	S	100.00	100.00	100.00	100.00

Country	Company	Type	2017 % control	2017 % interest	2016 % control	2016 % interest
Democratic Republic of Congo	Bureau Veritas BIVAC BV	S	100.00	100.00		
Denmark	Bureau Veritas Certification Denmark A/S	S	100.00	100.00	100.00	100.00
Denmark	Bureau Veritas HSE Denmark AS	S	100.00	100.00	100.00	100.00
Denmark	Bureau Veritas sa - Denmark	B	100.00	100.00	100.00	100.00
Dominican Republic	Inspectorate Dominicana SA	S	100.00	100.00	100.00	100.00
Dominican Republic	Acme Analytical Laboratories (R.D.) SRL	S	100.00	100.00	100.00	100.00
Ecuador	BIVAC Ecuador SA	S	100.00	100.00	100.00	100.00
Ecuador	Bureau Veritas Ecuador SA	S	100.00	100.00	100.00	100.00
Ecuador	Inspectorate del Ecuador SA	S	100.00	100.00	100.00	100.00
Ecuador	Andes Control Ecuador SA Ancoesa	S	100.00	100.00	100.00	100.00
Egypt	Bureau Veritas Egypt LLC	S	90.00	90.00	90.00	90.00
Egypt	Watson Gray (Egypt) Ltd.	S	100.00	100.00	100.00	100.00
Egypt	Matthews Daniel Int. (Egypt) Ltd.	S	100.00	100.00	100.00	100.00
Equatorial Guinea	Bureau Veritas SA – Equatorial Guinea	B	100.00	100.00	100.00	100.00
Estonia	Bureau Veritas Estonia	S	100.00	100.00	100.00	100.00
Estonia	Inspectorate Estonia AS	S	100.00	100.00	100.00	100.00
Ethiopia	Bureau Veritas Services PLC	S	100.00	100.00	100.00	100.00
Finland	Bureau Veritas sa – Finland	B	100.00	100.00	100.00	100.00
France	GUCEL SAS	S	90.00	90.00	90.00	90.00
France	Coreste SAS	S	99.60	99.60	99.60	99.60
France	Bureau Veritas CPS France SAS	S	100.00	100.00	100.00	100.00
France	BIVAC International SA	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Certification France SAS	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Certification Holding SAS	S	100.00	100.00	100.00	100.00
France	Bureau Veritas International SAS	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Services France	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Services SAS	S	100.00	100.00	100.00	100.00
France	Tecnitas SAS	S	100.00	100.00	100.00	100.00
France	Laboratoire Central des Industries Electriques SAS	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Holding 5	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Holding 6	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Holding 7	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Holding 8	S	100.00	100.00	100.00	100.00
France	Environnement Contrôle Services SAS	S	100.00	100.00	100.00	100.00
France	SODIA	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Laboratoires	S	100.00	100.00	100.00	100.00
France	Conception Développement Durable Environnement SAS	S	100.00	100.00	100.00	100.00
France	Transcable Halec SAS	S	100.00	100.00	100.00	100.00
France	BIVAC Mali SAS	S	100.00	100.00	100.00	100.00
France	Océanic Développement SAS	S	100.00	100.00	100.00	100.00
France	MEDI Qual SAS	S	100.00	100.00	100.00	100.00
France	Unicar Group SAS	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Construction	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Exploitation	S	100.00	100.00	100.00	100.00
France	HydrOcean	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Marine & Offshore SAS	S	100.00	100.00	100.00	100.00
France	Bureau Veritas GSIT	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Holding 4	S	100.00	100.00	100.00	100.00
France	Bureau Veritas Holding France	S	100.00	100.00	100.00	100.00
France	Metracem	S	100.00	100.00		
Fujairah	Inspectorate International Ltd. Fujairah (Branch Office)	S	100.00	100.00	100.00	100.00
Gabon	Bureau Veritas Gabon SAU	S	100.00	100.00	100.00	100.00
Georgia	Inspectorate Georgia LLC	S	100.00	100.00	100.00	100.00
Georgia	Bureau Veritas Georgie LLC	S	100.00	100.00	100.00	100.00
Germany	Bureau Veritas Certification Germany GmbH	S	100.00	100.00	100.00	100.00

			2017		2016	
Country	Company	Type	% control	% interest	% control	% interest
Germany	Bureau Veritas CPS Germany GmbH	S	100.00	100.00	100.00	100.00
Germany	Bureau Veritas Construction Services GmbH	S	100.00	100.00	100.00	100.00
Germany	Bureau Veritas sa – Germany	B	100.00	100.00	100.00	100.00
Germany	Bureau Veritas Germany Holding GmbH	S	100.00	100.00	100.00	100.00
Germany	Bureau Veritas Construction Services GmbH	S	100.00	100.00	100.00	100.00
Germany	Inspectorate Deutschland GmbH	S	100.00	100.00	100.00	100.00
Germany	Tecnitas Central Europe	S	100.00	100.00	100.00	100.00
Germany	Unicar Germany GmbH	S	100.00	100.00	100.00	100.00
Germany	7 Layers GmbH	S	100.00	100.00	100.00	100.00
Germany	Bureau Veritas Material Testing GmbH	S	100.00	100.00	100.00	100.00
Germany	Wireless IP GmbH	S	100.00	100.00	100.00	100.00
Germany	Schutter Deutschland GmbH	S	100.00	100.00		
Ghana	BIVAC International Ghana	S	100.00	100.00	100.00	100.00
Ghana	Bureau Veritas Ghana	S	100.00	100.00	100.00	100.00
Ghana	Inspectorate Ghana Ltd.	S	100.00	100.00	100.00	100.00
Greece	Bureau Veritas Hellas AE	S	100.00	100.00	100.00	100.00
Guatemala	Bureau Veritas CPS Guatemala SA	S	100.00	100.00	100.00	100.00
Guinea	BIVAC Guinea SAU	S	100.00	100.00	100.00	100.00
Guinea	Bureau Veritas Guinea SAU	S	100.00	100.00	100.00	100.00
Guyana	Acme Analytical (Lab.) Guyana Inc.	S	100.00	100.00	100.00	100.00
Hungary	Bureau Veritas Magyarorszag	S	100.00	100.00	100.00	100.00
Iceland	Bureau Veritas EHF	S	100.00	100.00	100.00	100.00
India	Bureau Veritas Industrial Services Ltd.	S	100.00	100.00	100.00	100.00
India	Bureau Veritas CPS India Pvt Ltd.	S	100.00	100.00	100.00	100.00
India	Bureau Veritas India Pvt Ltd.	S	100.00	100.00	100.00	100.00
India	Inspectorate Griffith India Pvt Ltd.	S	100.00	100.00	100.00	100.00
India	Bhagavathi Ana Labs Private Ltd.	S	100.00	100.00	100.00	100.00
India	Sievert India Pvt Ltd.	S	100.00	100.00	100.00	100.00
India	Bureau Veritas sa – India	B	100.00	100.00	100.00	100.00
Indonesia	PT Bureau Veritas CPS Indonesia	S	85.00	85.00	85.00	85.00
Indonesia	PT Bureau Veritas Indonesia LLC	S	100.00	100.00	100.00	100.00
Indonesia	PT IOL Indonesia	S	100.00	100.00	100.00	100.00
Iran	Inspectorate Iran QESHM Ltd.	S	99.00	99.00	99.00	99.00
Iran	Bureau Veritas sa – Iran	B	100.00	100.00	100.00	100.00
Iraq	Honesty Road (Tareek Al Sidik) for testing and engineering services	S	100.00	100.00	100.00	100.00
Ireland	Bureau Veritas Ireland Ltd.	S	100.00	100.00	100.00	100.00
Ireland	Primary Integration Solutions Europe Ltd.	S	100.00	76.90		
Italy	Bureau Veritas Italia Spa	S	100.00	100.00	100.00	100.00
Italy	Bureau Veritas Italia Holding SPA	S	100.00	100.00	100.00	100.00
Italy	Bureau Veritas Nexta SRL	S	100.00	100.00	100.00	100.00
Italy	Inspectorate Italia SRL	S	100.00	100.00	100.00	100.00
Italy	Bureau Veritas Certest SRL	S	100.00	100.00	100.00	100.00
Italy	CEPAS Srl	S	100.00	100.00	100.00	100.00
Jamaica	Inspectorate America Corporation - Jamaica branch	S	100.00	100.00		
Japan	Bureau Veritas Japan Co. Ltd.	S	100.00	100.00	100.00	100.00
Japan	Bureau Veritas Human Tech Co Ltd.	S	100.00	100.00	100.00	100.00
Japan	Inspectorate (Singapore) Pte. Ltd., Japan Branch	S	100.00	100.00	100.00	100.00
Japan	Kanagawa Building Inspection Co. Ltd.	S	100.00	100.00	100.00	100.00
Japan	IPS Tokai Corporation	S	100.00	100.00		
Jordan	BIVAC for Valuation Jordan LLC	S	100.00	100.00	100.00	100.00
Kazakhstan	Bureau Veritas Kazakhstan Industrial Services LLP	S	60.00	60.00	60.00	60.00
Kazakhstan	Bureau Veritas Kazakhstan LLP	S	100.00	100.00	100.00	100.00
Kazakhstan	Kazinspectorate Ltd.	S	100.00	100.00	100.00	100.00
Kazakhstan	Bureau Veritas Marine Kazakhstan LLP	S	100.00	100.00	100.00	100.00
Kenya	Bureau Veritas Kenya Limited	S	99.90	99.90	99.90	99.90
Kuwait	Inspectorate International Ltd. Kuwait	S	100.00	100.00	100.00	100.00

Country	Company	Type	2017 % control	2017 % interest	2016 % control	2016 % interest
Kuwait	Bureau Veritas SA – Kuwait	B	100.00	100.00	100.00	100.00
Laos	Lao National Single Window	S	75.00	75.00	75.00	75.00
Laos	BIVAC LAO Sole Co. Ltd.	S	100.00	100.00	100.00	100.00
Latvia	Bureau Veritas Latvia Ltd.	S	100.00	100.00	100.00	100.00
Latvia	Inspectorate Latvia Ltd.	S	100.00	100.00	100.00	100.00
Lebanon	Bureau Veritas Liban SAL	S	100.00	100.00	100.00	100.00
Lebanon	BIVAC Rotterdam Branch in Lebanon	S	100.00	100.00	100.00	100.00
Liberia	BIVAC Liberia	S	100.00	100.00	100.00	100.00
Liberia	Bureau Veritas Liberia Ltd.	S	100.00	100.00	100.00	100.00
Libya	Bureau Veritas Lybia for Inspection & Conformity	S	51.00	51.00	51.00	51.00
Lithuania	Bureau Veritas Lithuania Ltd.	S	100.00	100.00	100.00	100.00
Lithuania	Inspectorate Klaipeda UAB	S	100.00	100.00	100.00	100.00
Luxembourg	Soprefira SA	S	100.00	100.00	100.00	100.00
Luxembourg	Bureau Veritas Luxembourg SA	S	100.00	100.00	100.00	100.00
Malaysia	Bureau Veritas (M) Sdn Bhd	S	49.00	49.00	49.00	49.00
Malaysia	Inspectorate Malaysia Sdn Bhd	S	49.00	49.00	49.00	49.00
Malaysia	Bureau Veritas Certification Malaysia Ltd.	S	100.00	100.00	100.00	100.00
Malaysia	Bureau Veritas CPS Sdn Bhd	S	100.00	100.00	100.00	100.00
Malaysia	Scientige Sdn Bhd	S	100.00	100.00	100.00	100.00
Malaysia	MatthewsDaniel (Malaysia) Sdn BHd	S	100.00	100.00	100.00	100.00
Malaysia	Schutter Malaysia Sdn Bhd	S	100.00	100.00		
Mali	Bureau Veritas Mali SA	S	100.00	100.00	100.00	100.00
Malta	Inspectorate Malta Ltd.	S	100.00	100.00	100.00	100.00
Malta	Bureau Veritas sa – Malta	B	100.00	100.00	100.00	100.00
Mauritania	Bureau Veritas sa– Mauritania	B	100.00	100.00	100.00	100.00
Mauritius	Bureau Veritas sa – Mauritius	B	100.00	100.00	100.00	100.00
Mexico	BVQI Mexicana SA de CV	S	100.00	100.00	100.00	100.00
Mexico	Bureau Veritas Mexicana SA de CV	S	100.00	100.00	100.00	100.00
Mexico	Bureau Veritas CPS Mexico SA de CV	S	100.00	100.00	100.00	100.00
Mexico	Inspectorate de Mexico SA de CV	S	100.00	100.00	100.00	100.00
Mexico	Chas Martin Mexico City Inc	S	100.00	100.00	100.00	100.00
Mexico	Unicar Automotive Inspection Mexico LLC	S	100.00	100.00	100.00	100.00
Mexico	MatthewsDaniel Mexico Branch	S	100.00	100.00	100.00	100.00
Mexico	CH Mexico International I sociedad de responsabilidad Limitada de C.V.	S	100.00	100.00	100.00	100.00
Mexico	INCA	S	100.00	100.00		
Mexico	Supervisores de Construccion y Asociados, SA De C.V.	S	100.00	100.00		
Monaco	Bureau Veritas Monaco SAM AU	S	100.00	100.00	100.00	100.00
Mongolia	Bureau Veritas Inspection & Testing Mongolia LLC	S	100.00	100.00	100.00	100.00
Morocco	Bureau Veritas Morocco SA	S	100.00	100.00	100.00	100.00
Morocco	Bureau Veritas sa – Morocco	B	100.00	100.00	100.00	100.00
Mozambique	Bureau Veritas Controle Ltda	S	63.00	63.00	63.00	63.00
Mozambique	Bureau Veritas - Laboratorios de Tete Ltd.	S	66.66	66.66	66.66	66.66
Mozambique	Bureau Veritas Mozambique Ltda	S	100.00	100.00	100.00	100.00
Namibia	Bureau Veritas Namibie Pty Ltd.	S	100.00	100.00	100.00	100.00
Netherlands	BIVAC Rotterdam BV	S	100.00	100.00	100.00	100.00
Netherlands	Bureau Vertas Inspection & Certification The Netherlands BV	S	100.00	100.00	100.00	100.00
Netherlands	Risk Control BV	S	100.00	100.00	100.00	100.00
Netherlands	Bureau Veritas Marine Netherlands BV	S	100.00	100.00	100.00	100.00
Netherlands	Bureau Veritas Nederland Holding	S	100.00	100.00	100.00	100.00
Netherlands	Inspectorate BV	S	100.00	100.00	100.00	100.00
Netherlands	Inspectorate II BV	S	100.00	100.00	100.00	100.00
Netherlands	IOL Investments BV	S	100.00	100.00	100.00	100.00
Netherlands	Inspectorate Inpechem Inspectors BV	S	100.00	100.00	100.00	100.00
Netherlands	Inspectorate Curaçao NV	S	100.00	100.00	100.00	100.00
Netherlands	Certificatie Instelling Voor Beveiliging en Veiligheid BV	S	100.00	100.00	100.00	100.00
Netherlands	Schutter Certification BV	S	100.00	100.00		
Netherlands	Schutter Groep BV	S	100.00	100.00		
Netherlands	Schutter Havenbedrijg BV	S	100.00	100.00		

Country	Company	Type	2017 % control	2017 % interest	2016 % control	2016 % interest
Netherlands	Schutter International BV	S	100.00	100.00		
Netherlands	Schutter Rotterdam BV	S	100.00	100.00		
New Caledonia	Bureau Veritas sa – New Caledonia	B	100.00	100.00	100.00	100.00
New Zealand	Bureau Veritas New Zealand Ltd.	S	100.00	100.00	100.00	100.00
Nicaragua	Inspectorate America Corp. - Nicaragua	S	100.00	100.00	100.00	100.00
Nigeria	Bureau Veritas Nigeria Ltd.	S	60.00	60.00	60.00	60.00
Nigeria	Inspectorate Marine Services (Nigeria) Ltd.	S	100.00	100.00	100.00	100.00
Norway	Bureau Veritas Norway AS	S	100.00	100.00	100.00	100.00
Norway	MatthewsDaniel International (Norge) A/S	S	100.00	100.00	100.00	100.00
Oman	Sievert Technical Inspection LLC	S	70.00	70.00	70.00	70.00
Oman	Bureau Veritas Middle East Co. LLC	S	70.00	70.00	70.00	70.00
Oman	Inspectorate International Ltd. Oman	S	100.00	100.00	100.00	100.00
Pakistan	Bureau Veritas CPS Pakistan Ltd.	S	80.00	80.00	80.00	80.00
Pakistan	Bureau Veritas Pakistan (Private) Ltd.	S	100.00	100.00	100.00	100.00
Panama	Bureau Veritas Panama SA	S	100.00	100.00	100.00	100.00
Panama	Inspectorate de Panama SA	S	100.00	100.00	100.00	100.00
Paraguay	Inspectorate Paraguay SRL	S	100.00	100.00	100.00	100.00
Paraguay	BIVAC Paraguay SA	S	100.00	100.00	100.00	100.00
Paraguay	Schutter Paraguay SA	S	100.00	100.00		
Peru	BIVAC del Peru SAC	S	100.00	100.00	100.00	100.00
Peru	Bureau Veritas del Peru SA	S	100.00	100.00	100.00	100.00
Peru	Inspectorate Services Peru SAC	S	100.00	100.00	100.00	100.00
Peru	Tecnicontrol Ingenieria SA	S	100.00	100.00	100.00	100.00
Philippines	Inspectorate Philippines Corp.	S	80.00	80.00	80.00	80.00
Philippines	Inspectorate International Ltd. (Philippines branch)	S	100.00	100.00	100.00	100.00
Philippines	Bureau Veritas sa – Philippines	B	100.00	100.00	100.00	100.00
Philippines	Schutter Philippines Inc	S	100.00	100.00		
Poland	Bureau Veritas Polska Spolka Spolka z ograniczona odpowiedzialnioscia	S	100.00	100.00	100.00	100.00
Portugal	Bureau Veritas Certification Portugal SARL	S	100.00	100.00	100.00	100.00
Portugal	Registro International Naval - Rinave SA.	S	100.00	100.00	100.00	100.00
Portugal	Bureau Veritas Rinave Sociedade Unipessoal Lda	S	100.00	100.00	100.00	100.00
Portugal	BIVAC Iberica Unipessoal, Lda	S	100.00	100.00	100.00	100.00
Portugal	Inspectorate Portugal SA	S	100.00	100.00	100.00	100.00
Puerto Rico	Inspectorate America Corporation Puerto Rico	S	100.00	100.00	100.00	100.00
Qatar	Inspectorate International Ltd. Qatar LLC	S	49.00	49.00	49.00	49.00
Qatar	Sievert International Inspection WLL	S	49.00	34.30	49.00	34.30
Qatar	Bureau Veritas International Doha LLC	S	100.00	100.00	100.00	100.00
Qatar	Bureau Veritas SA – Qatar	B	100.00	100.00	100.00	100.00
Romania	Bureau Veritas Romania Controle International Srl	S	100.00	100.00	100.00	100.00
Romania	Inspect Balkan SRL	S	100.00	100.00	100.00	100.00
Russia	Bureau Veritas Rus OAO	S	100.00	100.00	100.00	100.00
Russia	Bureau Veritas Certification Russia	S	100.00	100.00	100.00	100.00
Russia	JSC Inspectorate Russia	S	100.00	100.00	100.00	100.00
Russia	Unicar Russia LLC	S	100.00	100.00	100.00	100.00
Russia	LLC Matthews Daniel International (Rus)	S	100.00	100.00	100.00	100.00
Rwanda	Bureau Veritas Rwanda Ltd.	S	100.00	100.00	100.00	100.00
Saudi Arabia	Inspectorate International Saudi Arabia Co Ltd.	S	65.00	65.00	65.00	65.00
Saudi Arabia	Bureau Veritas Saudi Arabia Testing Services Ltd.	S	75.00	75.00	75.00	75.00
Saudi Arabia	MatthewsDaniel Loss Adjusting and Survey Company Limited	S	100.00	100.00	100.00	100.00
Saudi Arabia	Sievert Arabia Co Ltd.	S	100.00	100.00	100.00	100.00
Saudi Arabia	Bureau Veritas sa - Saudi Arabia	B	100.00	100.00	100.00	100.00
Senegal	Bureau Veritas Sénégal SAU	S	100.00	100.00	100.00	100.00
Serbia	Bureau Veritas Serbia D.O.O.	S	100.00	100.00	100.00	100.00
Singapore	Branch Office Singapore - Tecnitas	S	100.00	100.00	100.00	100.00
Singapore	Bureau Veritas Singapore Pte Ltd.	S	100.00	100.00	100.00	100.00
Singapore	Bureau Veritas Marine Singapore Pte Ltd.	S	100.00	100.00	100.00	100.00
Singapore	Atomic Technologies Pte Ltd.	S	100.00	100.00	100.00	100.00
Singapore	Inspectorate (Singapore) Pte Ltd.	S	100.00	100.00	100.00	100.00

			2017		2016	
Country	Company	Type	% control	% interest	% control	% interest
Singapore	MatthewsDaniel International Pte. Ltd.	S	100.00	100.00	100.00	100.00
Singapore	Sievert Veritas Pte Ltd.	S	100.00	100.00	100.00	100.00
Singapore	CKM Consultants Pte Ltd.	S	100.00	100.00	100.00	100.00
Singapore	7Layers Asia Private Ltd.	S	100.00	100.00	100.00	100.00
Singapore	TMC Marine Pte Ltd.	S	100.00	100.00	100.00	100.00
Singapore	Schutter Inspection Services Pte Ltd.	S	100.00	100.00		
Slovakia	Bureau Veritas Slovakia Spol	S	100.00	100.00	100.00	100.00
Slovenia	Bureau Veritas Slovenia D.O.O.	S	100.00	100.00	100.00	100.00
South Africa	Bureau Veritas Marine Surveying (Pty) Ltd.	S	51.00	37.38	51.00	37.38
South Africa	Bureau Veritas South Africa (Pty) Ltd.	S	70.00	70.00	70.00	70.00
South Africa	Bureau Veritas Gazelle (Pty) Ltd.	S	70.00	70.00	70.00	70.00
South Africa	Carab Technologies (Pty) Ltd.	S	100.00	70.00	100.00	70.00
South Africa	Tekniva (Pty) Ltd.	S	100.00	70.00	100.00	70.00
South Africa	Bureau Veritas Inspectorate Laboratories (Pty) Ltd.	S	73.30	73.30	73.30	73.30
South Africa	M&L Laboratory Services (Pty) Ltd.	S	100.00	73.30	100.00	73.30
South Africa	Bureau Veritas Testing and Inspections South Africa (Pty) Ltd.	S	100.00	100.00	100.00	100.00
South Korea	Bureau Veritas Korea Co Ltd.	S	100.00	100.00	100.00	100.00
South Korea	Bureau Veritas CPS Korea Limited	S	100.00	100.00	100.00	100.00
South Korea	Bureau Veritas CPS ADT Korea Ltd.	S	100.00	100.00	100.00	100.00
South Korea	7Layers Korea Ltd.	S	100.00	100.00	100.00	100.00
South Korea	Bureau Veritas sa - South Korea	B	100.00	100.00	100.00	100.00
South Korea	ICTK Korea	S	55.00	55.00		
Spain	Bureau Veritas Formacion SAU	S	95.00	95.00	95.00	95.00
Spain	Bureau Veritas Iberia SL	S	100.00	100.00	100.00	100.00
Spain	Bureau Veritas Inversiones SL	S	100.00	100.00	100.00	100.00
Spain	Entidad Colaborada De La Administración SLU	S	100.00	100.00	100.00	100.00
Spain	Activa, Innovación Y Servicios, SAU	S	100.00	100.00	100.00	100.00
Spain	Instituto De La Calidad, SAU	S	100.00	100.00	100.00	100.00
Spain	Inspectorate Española SAU	S	100.00	100.00	100.00	100.00
Spain	Unicar Spain SRL	S	100.00	100.00	100.00	100.00
Sri Lanka	Bureau Veritas CPS Lanka (Pvt) Ltd.	S	100.00	100.00	100.00	100.00
Sri Lanka	Bureau Veritas Lanka Private Ltd.	S	100.00	100.00	100.00	100.00
Sweden	Bureau Veritas Certification Sverige AB Ltd.	S	100.00	100.00	100.00	100.00
Sweden	Bureau Veritas sa– Sweden	B	100.00	100.00	100.00	100.00
Switzerland	Bureau Veritas Switzerland AG	S	100.00	100.00	100.00	100.00
Switzerland	Inspectorate Suisse SA	S	100.00	100.00	100.00	100.00
Syria	BIVAC Branch Syria	S	100.00	100.00	100.00	100.00
Tahiti	Bureau Veritas sa – Tahiti	B	100.00	100.00	100.00	100.00
Taiwan	Advance Data Technology Corporation	S	99.10	99.10	99.10	99.10
Taiwan	Branch Office of Bureau Veritas CPS Hong-Kong in Taiwan	S	100.00	100.00	100.00	100.00
Taiwan	Bureau Veritas Certification Taiwan Co. Ltd.	S	100.00	100.00	100.00	100.00
Taiwan	Bureau Veritas Taiwan Limited	S	100.00	100.00	100.00	100.00
Taiwan	Bureau Veritas CPS (Hong Kong) Limited Taoyuan Branch	S	100.00	100.00	100.00	100.00
Taiwan	Bureau Veritas SA – Taiwan	B	100.00	100.00	100.00	100.00
Taiwan	SIEMIC- Taiwan Branch	S	100.00	100.00		
Tanzania	Bureau Veritas-USC Tanzania Ltd.	S	60.00	60.00	60.00	60.00
Tanzania	Bureau Veritas Tanzania Ltd.	S	100.00	100.00	100.00	100.00
Thailand	Bureau Veritas Thailand Ltd.	S	49.00	49.00	49.00	49.00
Thailand	Bureau Veritas Certification Thailand Ltd.	S	49.00	49.00	49.00	49.00
Thailand	Bureau Veritas CPS Thailand Ltd.	S	100.00	100.00	100.00	100.00
Thailand	Inspectorate (Thailand) Co Ltd.	S	100.00	100.00	100.00	100.00
Thailand	Sievert Thailand Ltd.	S	100.00	100.00	100.00	100.00
Thailand	MatthewsDaniel International (Thailand) Ltd.	S	100.00	100.00	100.00	100.00
Togo	Bureau Veritas Togo SARLU	S	100.00	100.00	100.00	100.00
Togo	Société d'Exploitation du Guichet Unique pour le Commerce Extérieur - SEGUCE SA	S	100.00	100.00	100.00	100.00
Trinidad and Tobago	Inspectorate America Trinidad Branch	S	100.00	100.00	100.00	100.00
Tunisia	Société Tunisienne de Contrôle Veritas SA	S	49.90	49.90	49.90	49.90

			2017		2016	
Country	Company	Type	% control	% interest	% control	% interest
Turkey	Bureau Veritas Gozetim Hizmetleri Ltd. Sirketi	S	100.00	100.00	100.00	100.00
Turkey	Bureau Veritas CPS Test Laboratuvarlari Ltd., Sti.	S	100.00	100.00	100.00	100.00
Turkey	Inspectorate Uluslararasi Gozetim Servisleri AS	S	100.00	100.00	100.00	100.00
Turkey	Bureau Veritas Deniz ve Gemi Siniflandirma Hizmetleri Limited Sirketi	S	100.00	100.00	100.00	100.00
Turkey	Acme Analitik Lab. Hizmetleri Ltd., Sirketi	S	100.00	100.00	100.00	100.00
Turkmenistan	Inspectorate Suisse SA Turkmenistan branch	S	100.00	100.00	100.00	100.00
Uganda	Bureau Veritas Uganda Limited	S	100.00	100.00	100.00	100.00
Ukraine	Bureau Veritas Ukraine Ltd.	S	100.00	100.00	100.00	100.00
Ukraine	Bureau Veritas Certification Ukraine	S	100.00	100.00	100.00	100.00
Ukraine	Inspectorate Ukraine LLC	S	100.00	100.00	100.00	100.00
United Arab Emirates	Sievert Emirates Inspection LLC	S	49.00	49.00	49.00	49.00
United Arab Emirates	Inspectorate International Ltd. Dubaî (Branch Office)	S	100.00	100.00	100.00	100.00
United Arab Emirates	MatthewsDaniel Services (Bermuda) Ltd., Abu Dhabi Branch	S	100.00	100.00	100.00	100.00
United Arab Emirates	Bureau Veritas sa - Abu Dhabi	B	100.00	100.00	100.00	100.00
United Arab Emirates	Bureau Veritas sa – Dubai	B	100.00	100.00	100.00	100.00
United Kingdom	Unicar GB Ltd.	S	100.00	100.00	50.00	50.00
United Kingdom	UCM Global Ltd.	S	100.00	100.00	50.00	50.00
United Kingdom	Bureau Veritas Certification Holding SAS	S	100.00	100.00	100.00	100.00
United Kingdom	Bureau Veritas Certification UK Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Bureau Veritas UK Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Bureau Veritas CPS UK Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Bureau Veritas UK Holdings Limited	S	100.00	100.00	100.00	100.00
United Kingdom	Inspectorate Holdings PLC	S	100.00	100.00	100.00	100.00
United Kingdom	Inspectorate International Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Matthews Daniel Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Matthews Daniel Holdings Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Matthews Daniel International (London) Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Matthews Daniel International (Africa) Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	HCD Building Control Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	HCD Eng. Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	HCD Group Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	HCD Management Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	HCD Specialist Services Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	TMC OFFSHORE Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	TMC (Marine Consultants) Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Maritime Assurance & Consulting Ltd.	S	100.00	100.00	100.00	100.00
United Kingdom	Bureau Veritas sa– United Kingdom	B	100.00	100.00	100.00	100.00
United States	Bureau Veritas Holdings Inc.	S	100.00	100.00	100.00	100.00
United States	Bureau Veritas Marine Inc.	S	100.00	100.00	100.00	100.00
United States	Bureau Veritas Certification North America Inc.	S	100.00	100.00	100.00	100.00
United States	Bureau Veritas CPS Inc.	S	100.00	100.00	100.00	100.00
United States	BIVAC North America Inc.	S	100.00	100.00	100.00	100.00
United States	Bureau Veritas North America Inc.	S	100.00	100.00	100.00	100.00
United States	OneCIS Insurance Company	S	100.00	100.00	100.00	100.00
United States	Curtis Strauss LLC	S	100.00	100.00	100.00	100.00
United States	National Elevator Inspection Services Inc.	S	100.00	100.00	100.00	100.00
United States	Inspectorate America Corporation	S	100.00	100.00	100.00	100.00
United States	Unicar USA Inc.	S	100.00	100.00	100.00	100.00
United States	7 Layers Inc.	S	100.00	100.00	100.00	100.00
United States	Quiktrak Inc	S	100.00	100.00	100.00	100.00
United States	MatthewsDaniel Company Inc.	S	100.00	100.00	100.00	100.00
United States	TMC Marine Inc.	S	100.00	100.00	100.00	100.00
United States	California code check Inc.	S	100.00	100.00		
United States	SIEMIC Inc	S	100.00	100.00		
United States	Primary Integration Solutions, Inc	S	100.00	76.90		
United States	Primary Integration Acquisition Co.	S	100.00	76.90		
Uruguay	Bureau Veritas Uruguay SRL	S	100.00	100.00	100.00	100.00
Uruguay	Schutter Americas SA	S	100.00	100.00		

			2017		2016	
Country	Company	Type	% control	% interest	% control	% interest
Venezuela	BVQI Venezuela SA	S	100.00	100.00	100.00	100.00
Venezuela	Bureau Veritas de Venezuela	S	100.00	100.00	100.00	100.00
Vietnam	Bureau Veritas Vietnam Ltd.	S	100.00	100.00	100.00	100.00
Vietnam	Bureau Veritas Certification Vietnam Limited	S	100.00	100.00	100.00	100.00
Vietnam	Bureau Veritas CPS Vietnam Ltd.	S	100.00	100.00	100.00	100.00
Vietnam	Inspectorate Vietnam LLC	S	100.00	100.00	100.00	100.00
Vietnam	MatthewsDaniel International (Vietnam) Ltd.	S	100.00	100.00	100.00	100.00
Yemen	Inspectorate International Ltd. Yemen	S	100.00	100.00	100.00	100.00
Zambia	Bureau Veritas Zambia Ltd.	S	100.00	100.00	100.00	100.00
Zimbabwe	Bureau Veritas Zimbabwe	S	100.00	100.00	100.00	100.00

In accordance with IAS 27.13, the aforementioned entities are all fully consolidated since they are controlled by Bureau Veritas. The Group has the majority of the voting rights in these entities or governs their financial and operating policies.

Companies accounted for by the equity method

			2017		2016	
Country	Company	Type	% control	% interest	% control	% interest
China	Beijing 7Layers Huarui Communications Technology Co., Ltd..	S	50.00	50.00	50.00	50.00
France	Assistance Technique et Surveillance Industrielle - ATSI SA	S	49.92	49.92	49.92	49.92
Japan	Japan Analysts Co. Inc	S	50.00	50.00	50.00	50.00
Jordan	Middle East Laboratory Testing & Technical Services JV	S	50.00	50.00	50.00	50.00
Russia	Bureau Veritas Safety LLC	S	49.00	49.00	49.00	49.00

Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2017

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Bureau Veritas,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Bureau Veritas for the year ended December 31, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the *Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No; 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of work-in-progress

Description of risk

In the ordinary course of its business, the Group has dealings with many French and international customers. Each Group entity issues its own invoices using shared or specific software; some entities use shared service centers for this purpose.

As described in Note 3.14 to the consolidated financial statements, the Group uses the percentage-of-completion method for a significant portion of its businesses to establish the amount of revenue to be recognized for contracts ongoing during a given period. The percentage of completion is determined for each contract by comparing contract costs incurred up to the end of the reporting period with the total estimated contract costs. The difference between revenue recognized according to the percentage-of-completion method and the invoices issued is equivalent to work-in-progress.

At December 31, 2017, Group revenue amounted to €4,689.4 million, including €294.9 million recorded on the balance sheet as work-in-progress or invoices to be issued.

Given (i) the materiality of its impact on the consolidated financial statements, (ii) the use of estimates to determine the percentage of completion to be used at the end of each reporting period and (iii) the specific complexity created by the use of a decentralized billing system, we deemed the measurement of work-in-progress to be a key audit matter.

How our audit addressed this risk

We gained an understanding of the procedure implemented by Group management to recognize revenue, which is based on the percentage-of-completion method. We also assessed the consistency of the methods used.

For individual cases, our audit approach consisted primarily in:

- assessing compliance with the Group Management Manual (GMM) by audited entities to ensure that accounting policies are applied in a uniform manner to Group revenue;
- analyzing the accounting processes implemented and assessing the configuration of the various management software programs used to automatically calculate work-in-progress;
- using our analytical tools to identify Group entities with material amounts of work-in-progress as a proportion of their revenue and, where appropriate, examining the specific cases identified;
- analyzing, on the basis of a sample of contracts, work-in-progress recorded at the end of the reporting period, to assess the reliability of these estimates.

Goodwill and customer relationships - Impairment tests

Description of risk

As part of its acquisitions policy, the Group has recorded in the consolidated balance sheet a net total of €2,489.2 million in goodwill and intangible assets resulting from customer relationships.

Goodwill impairment test

Net goodwill in the consolidated balance sheet amounted to €1,965.1 million at December 31, 2017.

The impairment tests consist of comparing the carrying amount with the recoverable amount of each group of CGUs based on the discounted future cash flows estimated by management. If the recoverable amount of a group of CGUs is less than its carrying amount, an impairment loss is recorded.

At January 1, 2017, the Group updated its segment information to better reflect the organizational changes made. In parallel, the Group also conducted an analysis of the groups of CGUs at the level of which goodwill was to be tested. This analysis resulted in impairment tests being conducted in six of the Group's businesses. This change came about as a result of the organizational and internal reporting changes made between 2016 and 2017, particularly following the creation of the CIF (Commodities, Industry & Facilities) division, and the strengthening of the Group's central support functions for sales and marketing.

The number of groups of CGUs fell from 19 to 6, reflecting:

- the absorption of a significant portion of IVS (In-Service Inspection & Verification) by the Building & Infrastructure business, with the remainder of IVS joining the Industry segment;
- the integration of GSIT (Government Services & International Trade) activities by the Agri-food and Commodities segment (Government Services), and by the Industry segment (Automotive).

At December 31, 2017, no impairment had been recorded for goodwill for any of the six CGU groups.

Customer relationships impairment test

At December 31, 2017, the Group's net amortizable intangible assets amounted to €640.2 million, including €524.1 million for customer relationships resulting from the allocation of the purchase price for various acquisitions.

The Group has implemented an annual review procedure for material customer relationship portfolios to identify any possible impairment losses. This may result in a shorter amortization period, on a forward-looking basis, for the customer relationship in question or, where applicable, the recognition of an impairment loss.

We deemed the goodwill impairment tests, particularly in relation to the changes that affected the groups of CGUs in 2017, and the customer relationships impairment tests, to be a key audit matter owing to (i) their materiality in relation to the consolidated financial statements and (ii) the need for the use of judgment and estimates in their measurement.

How our audit addressed this risk

Goodwill impairment test

We gained an understanding of the procedure implemented by management to conduct goodwill impairment tests.

We examined the projections established for each group of CGUs and approved by management. In addition, with the assistance of our financial valuation experts, we assessed the various factors and inputs selected for the valuation of each group of CGUs, paying particular attention to:

- the revenue and margin assumptions in relation to the 2018 budget, as well as the growth and margin assumptions for the subsequent four financial years;
- the discount rates and perpetual growth rates;
- the events likely to affect certain Group businesses (such as difficult economic conditions in certain countries, or a slowdown in activities exposed to cyclical trends).

In addition, we conducted our own sensitivity analyses to evaluate the challenges that might arise if the objectives established in the business plans were not reached, particularly for revenue and margin.

We adapted our audit approach depending on the scale of the risk of impairment for each group of CGUs. Where appropriate, we organized meetings with the relevant operational departments to understand the assumptions used. We also corroborated the information provided to us with external market data (analysts' notes, sector studies, etc.).

We spoke to Group management about the changes made to the groups of CGUs that occurred in 2017 to gain an understanding of the organizational and business factors underlying the change in the number of groups. We also assessed the appropriateness of the changes made in relation to the new organizational structure.

We evaluated the impairment tests conducted by the Group at end-December 2017 according to the policies in effect in 2016, and noted that these tests did not result in the recognition of an impairment loss.

Lastly, we verified that Note 11 to the consolidated financial statements contains the appropriate disclosures on the sensitivity analyses of the recoverable amount of goodwill to changes in the main assumptions used.

Customer relationships impairment test

We gained an understanding of the procedure implemented by management to conduct customer relationships impairment tests.

Based on a representative sample, we compared the annual amortization expense to the entity's operating income to identify possible signs of an impairment loss.

We examined the results of the tests conducted by the Group, as well as the amortization or depreciation expenses recognized during the financial year further to the analyses conducted by the Group.

Provisions for liabilities and charges – contract-related disputes and other provisions for liabilities and charges

Description of risk

At December 31, 2017, provisions for liabilities and charges amounted to €109.6 million, including €47.2 million in provisions for contract-related disputes and €62.4 million in other provisions for liabilities and charges, comprising provisions for tax risks and restructuring. An analysis of the provisions and changes thereto is provided in Note 27 to the consolidated financial statements.

Contract-related disputes

In the ordinary course of its business, the Group may be involved in any number of legal proceedings as a result of professional liability suits. These proceedings are coordinated by the Legal Department with the assistance of the Group's lawyers and insurers.

As outlined in Note 3.12 and Note 27 to the consolidated financial statements, the provisions recorded by the Group are based on estimates factoring in:

- opposing party claims;
- an assessment of the related risk, conducted in consultation with the Group's lawyers;
- the Group's insurance coverage in the event of a judgment against it.

Given the specific nature of each suit, the length of litigation proceedings, particularly in certain countries, the potential financial implications and the uncertainty weighing on the outcome of each case, we deemed the assessment of the provisions for contract-related disputes to be a key audit matter.

Other provisions for liabilities and charges

Other provisions for liabilities and charges consist mainly in provisions for restructuring and for tax risks.

Provisions for restructuring correspond to the restructuring plans announced before December 31, 2017 and that were still ongoing at that date. The costs of the ongoing plans are estimated based on assumptions made by management regarding the effective roll-out of these plans.

As regards tax audits, the Group operates in a considerable number of jurisdictions and is therefore subject to numerous tax systems with rules and regulations that differ from one country to the next.

The estimated risk of an adjustment further to a tax audit is revised regularly by each subsidiary and by the Group's Tax Department with the guidance of external advisors for the most significant or complex disputes.

We deemed the measurement of these provisions for restructuring and for tax risks to be a key audit matter due to their reliance on certain estimates and, in relation to tax risks, the high degree of judgment required from management in their measurement.

How our audit addressed this risk

Provisions for contract-related disputes

To help monitor contract-related disputes as soon as they arise, the Group has created a centralized system into which all Group lawyers enter details. The system covers all of the areas in which the Group operates. It aims to ensure that, for each claim, the information required to assess the related risk is made available systematically and on a regular basis.

We examined this system and the related procedures, and verified that it is functioning properly. We also examined the insurance program in effect during in 2017 and obtained information on the changes made to it since December 31, 2016.

Regarding the provisions recorded for claims, we obtained confirmations from the Group's lawyers for the claims with the highest risk exposure, and examined the related insurance coverage.

We examined developments in the one-off disputes arising in 2004 (hotel and shopping complex in Turkey, Gabon Express airplane crash), as well as those disputes relating to certain contracts for Government Services, now part of the Agri-food and Commodities segment.

We also examined the appropriateness of the disclosures provided in Note 3.12 and Note 27 to the consolidated financial statements.

Provisions for restructuring

We reviewed the ongoing restructuring plans and assessed the appropriate nature of the related provisions established at year-end.

To this end, our work involved examining:

- the authorizations obtained by management before the plans were implemented;
- the characteristics of each plan and the estimates produced by the local finance departments;
- the appropriateness of the provisions in the financial statements at December 31, 2017, based on the respective state of progress of each plan.

Provisions for tax risks

We gained an understanding of the procedure implemented by Group management to identify tax risks and disputes and, where appropriate, estimate the corresponding provision required.

With the help of our tax experts, we examined the judgments made by management to assess the amount and probability of potential exposure, and subsequently analyzed the estimates used by management when provisioning for tax risks.

Our approach involved:

- conducting interviews with tax managers at Group and local level;
- consulting the recent decisions and correspondence of Group companies with the local tax authorities, as well as the correspondence between the companies concerned and their lawyers, where applicable and necessary;
- analyzing the responses of the lawyers to our requests for information submitted as part of our annual audit;
- assessing the latest developments and ensuring they had been factored into the evaluation of the related tax risks as part of the year-end accounting operations.

Lastly, we examined the appropriateness of the disclosures provided in Note 3.12 and Note 27 to the consolidated financial statements.

Verification of the information pertaining to the Group presented in the management report

As required by law and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Bureau Veritas by the Shareholders' Meetings held on June 25, 1992 for PricewaterhouseCoopers Audit and on May 17, 2016 for Ernst & Young Audit.

At December 31, 2017, PricewaterhouseCoopers Audit was in the twenty-sixth year of total uninterrupted engagement and the eleventh year since the securities of the Company were admitted to trading on a regulated market, and Ernst & Young Audit was in the second year of total uninterrupted engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- Assess the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- Evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine Cedex and Paris-La Défense, March 16, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young Audit
Christine Bouvry	Nour-Eddine Zanouda

5.2 Bureau Veritas SA statutory financial statements

Balance sheet at December 31

(€ thousands)	Notes	Gross value	Depr., amort. and impairment	2017 net	2016 net
Intangible assets	1	1,284	(1,197)	87	110
Tangible assets	1	14,502	(9,881)	4,621	6,985
Long-term financial investments	1 & 2	2,151,848	(39,059)	2,112,789	2,106,025
Total non-current assets		**2,167,634**	**(50,137)**	**2,117,497**	**2,113,120**
Work-in-progress		3,627		3,627	5,467
Trade receivables	4	194,922	(10,398)	184,524	131,934
Other receivables	4	2,097,212	(27,533)	2,069,679	1,873,795
Marketable securities	4	6,592		6,592	662,467
Treasury shares		106,856		106,856	88,540
Cash at bank and on hand		136,062		136,062	42,154
Total current assets		**2,545,271**	**(37,931)**	**2,507,340**	**2,804,358**
Accrual accounts					
Prepaid expenses	4	8,841		8,841	9,441
Unrealized currency translation losses		4,616		4,616	1,440
Bond redemption premiums					214
TOTAL ASSETS		**4,726,362**	**(88,068)**	**4,638,294**	**4,928,572**
Share capital				53,040	53,040
Share premiums				37,510	40,670
Reserves and retained earnings				716,960	581,389
Net profit				287,321	382,063
Regulated provisions				973	973
Total equity	**3**			**1,095,804**	**1,058,135**
Provisions for liabilities and charges	5			71,039	78,606
Payables					
Bank borrowings and debt	4			2,264,004	2,872,241
Trade payables	4			179,231	34,895
Other payables	4			1,011,782	865,548
Accrual accounts					
Prepaid income	4			16,200	16,613
Unrealized currency translation gains				234	2,535
TOTAL EQUITY AND LIABILITIES				**4,638,294**	**4,928,572**

Income statement

(€ thousands)	Notes	2017	2016
Revenue	7	268,388	950,481
Other income	7	240,904	321,036
Total operating income		**509,292**	**1,271,517**
Operating expenses			
Supplies		(77)	(446)
Other purchases and external charges		(117,125)	(363,808)
Taxes other than on income		(6,259)	(31,187)
Wages and salaries		(123,332)	(396,496)
Payroll taxes		(30,906)	(159,430)
Other expenses		(153,061)	(132,203)
Charges in provisions for operating items		135	(21,604)
Depreciation and amortization		(2,022)	(18,258)
Operating profit		**76,645**	**148,085**
Net financial income	8	146,844	288,062
Profit from ordinary operations before income tax		**223,489**	**436,147**
Net exceptional income	9	36,646	23,869
Employee profit-sharing		(6)	(11,163)
Income tax benefit (expense)	10	27,192	(66,790)
NET PROFIT		**287,321**	**382,063**

Statement of cash flows

(€ thousands)	2017	2016
Cash flow from operations	259,877	392,053
Change in working capital	(13,168)	13,269
Net cash from operating activities	**246,709**	**405,322**
Capital expenditure	(912)	(28,620)
Acquisitions of equity interests	(6,616)	(133,986)
Sales and repayments of equity interests	29,752	128,218
Sales of non-current assets	19	248
Change in loans and other financial assets	(29,196)	(143,630)
Net cash used in investing activities	**(6,953)**	**(177,770)**
Capital increase	3,159	1,432
Purchases of treasury shares, net	(25,308)	(28,347)
Dividends paid	(239,794)	(222,771)
Net cash used in financing activities	**(261,943)**	**(249,686)**
Increase (decrease) in gross debt	(539,900)	541,404
Impact of the spin-off of France-based activities	-	(165,332)
Increase (decrease) in cash and cash equivalents	**(562,087)**	**353,938**
Cash and cash equivalents at beginning of year	704,621	350,683
Cash and cash equivalents at end of year	142,534	704,621

Summary of significant accounting policies

The balance sheet and income statement are prepared in accordance with the French Commercial Code (*Code de commerce*), French chart of accounts and French generally accepted accounting principles as defined by Regulation 2014-03 issued by the French accounting standards-setter (*Autorité des Normes Comptables* – ANC).

Since January 1, 2017, the Company has applied ANC Regulation 2015-05 on forward financial instruments and hedging transactions. Given the transactions carried out by the Company and the accounting rules followed in previous years, the entry into force of this regulation does not impact the Company's financial statements, except with respect to the presentation of foreign exchange gains and losses on trade receivables and payables, which were previously recorded under net financial income (or expense). The impact of this reclassification on operating profit in the 2017 statutory financial statements amounted to €0.7 million in foreign exchange gains recorded under "Other income" and a negative €0.6 million in foreign exchanges losses recorded in "Other expenses".

The financial statements are prepared based on:

- the going concern;
- consistency of accounting methods; and
- accrual basis principles.

The Company is organized as a head office with a number of branches, which are fairly autonomous with regard to financial and managerial matters. Each branch keeps its own accounts which are linked to the head office accounting system via an intercompany account.

The financial statements of foreign branches whose functional currency is not the euro are translated using the closing rate method: assets and liabilities are translated at the year-end exchange rate, while income and expense items are translated at the average exchange rate for the year. All resulting currency translation differences are recognized directly in equity.

Basis of measurement

Non-current assets

Non-current assets are carried at historical cost, in particular assets located outside France. The exchange rate applied to the currency in which the assets were purchased is the rate prevailing at the acquisition date.

Intangible assets

Software developed in-house is capitalized in accordance with the benchmark treatment. The cost of production for own use includes all costs directly attributable to analyzing, programming, testing and documenting software specific to the Company's activities.

Software is amortized over its estimated useful life, which does not currently exceed seven years.

Property, plant and equipment

Depreciation is provided according to the straight-line or declining-balance method, depending on the asset concerned. The following useful lives generally apply:

Fixtures and fittings, machinery and equipment:	
• fixtures and fittings	10 years
• machinery and equipment	Between 5 and 10 years
Other tangible assets:	
• vehicles	Between 4 and 5 years
• office equipment	Between 5 and 10 years
• IT equipment	Between 3 and 5 years
• furniture	10 years

Long-term investments

Equity investments are carried in the balance sheet at acquisition cost or subscription price, including acquisition fees.

Subsidiaries and affiliates are generally measured based on the Company's share in their net book assets, adjusted where appropriate for items with a prospective economic value.

Impairment is recognized for any difference between the value in use and gross value of the investments.

Current assets

Work-in-progress

Work-in-progress is recognized using the percentage-of-completion method. Short-term contracts whose value is not material continue to be measured using the completed contract method.

Impairment is recognized when net realizable value falls below book value. In this case, work-in-progress is reported directly on a net basis.

Impairment is calculated for each contract based on the projected margin as revised at year-end. Losses on completion arising on onerous contracts are recognized in provisions for liabilities and charges.

Trade receivables

Trade receivables are depreciated to cover the risks of non-collection arising on certain items. Impairments are calculated based on a case-by-case analysis of risks, except for non-material amounts for which statistical impairments are calculated based on collection experience. The criteria for determining impairment are based on the financial position of the debtor (liquidity situation, whether the debtor is the object of any disputes, bankruptcy or legal reorganization proceedings), or whether the debtor is involved in any technical disputes.

Marketable securities

Marketable securities are carried at cost and written down to their estimated net realizable value if this falls below their cost.

Accrual accounts

Prepaid expenses

This caption includes operating and financial expenses relating to subsequent reporting periods.

Currency translation losses

This item represents translation losses on foreign currency receivables and payables.

Since there are no corresponding hedging instruments, translation losses are covered by a provision for the same amount in liabilities.

Equity and liabilities

Currency translation reserves

The functional currency of foreign entities is used as their reference currency. As a result, historical cost data are expressed in foreign currency. The closing rate method is therefore used to translate the financial statements of foreign branches.

Accordingly:

- balance sheet items (except for the intercompany account) are translated at the year-end exchange rate;
- income statement items are translated at the average exchange rate for the year;
- the intercompany account continues to be carried at the historical exchange rate.

Pensions and other employee benefit obligations

The Company has adopted the benchmark treatment for pensions and other employee benefit obligations and recognizes all such obligations in the balance sheet. Actuarial gains and losses resulting from changes in assumptions or in the valuation of assets are recognized in the income statement.

Provisions for liabilities and charges

Provisions for liabilities and charges are recognized when the Company considers at the end of the reporting period that it has a present legal obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The costs which the Company ultimately incurs may exceed the amounts set aside as provisions for claims and disputes due to a variety of factors such as the uncertain nature of the outcome of the disputes.

Derivative financial instruments

For forward financial instruments that are not used in a hedging transaction and accordingly treated as isolated open positions, a provision is set aside in liabilities when these instruments have a negative market value.

Accrual accounts

Currency translation gains

This account includes gains on the translation of the Company's foreign currency receivables and payables at the year-end rate.

Prepaid income

This account primarily represents the portion of contract billing in excess of the percentage-of-completion (see note concerning revenue).

Since 2012, this item has also included the amount of interest on the outstanding USPP swap, which is recognized on a straight-line basis over the residual term of the facility.

Income statement

Presentation method

The income statement is presented in list format. Income statement items are classified to successively show operating profit, net financial income, profit from ordinary operations before income tax, net exceptional income, employee profit-sharing and income tax amounts.

Revenue and other operating income

Revenue is the value (excluding VAT) of services provided by the branches in the ordinary course of their business, after elimination of intra-company transactions. It is recognized on a percentage-of-completion basis. Short-term contracts whose value are not material are valued using the completed contract method.

Other operating income includes mainly royalties and amounts rebilled to clients and other Group entities. It also includes exchange gains made on operating transactions.

Operating expenses

All other expenses are reported in this caption by type. These expenses are recognized according to the local regulations in the countries where the Group's branches are located. Depreciation and amortization are calculated applying the usual methods (see non-current assets). Additions to provisions reflect amounts set aside to cover a decline in value of external customer accounts and other operating provisions.

This caption also includes exchange losses from operating transactions.

Net financial income (expense)

This caption reflects:

- dividends received from other Group companies;
- interest paid on borrowings, interest received on loans granted to Company subsidiaries, and investment income;
- movements in provisions relating to equity investments and current accounts of certain Company subsidiaries;
- exchange differences on financial transactions.

Net exceptional income (expense)

Exceptional income chiefly includes recoveries of receivables previously written off, proceeds from sales of non-current assets and Bureau Veritas SA shares and reversals of exceptional provisions.

Exceptional expense includes miscellaneous penalties paid and the net book values of (i) non-current assets sold or retired, (ii) Company shares and (iii) additions to exceptional provisions.

Consolidation for accounting and tax purposes

Bureau Veritas SA is the parent and consolidating company of the Group and is itself fully consolidated by the Wendel Group, whose registered office is located at 89, rue Taitbout, 75009 Paris, France, and is registered with the Paris Trade and Companies Register (*Registre du commerce et des sociétés*) under number 572 174 035.

Bureau Veritas SA is the head of the tax consolidation group set up pursuant to articles 223 *et seq.* of the French Tax Code (*Code général des impôts*).

Significant events in 2017

Dividend payout

Pursuant to the resolutions adopted by the May 16, 2017 Shareholders' Meeting, on May 22, 2017 the Company paid eligible shareholders a dividend of €0.55 per share, representing a total payout of €239.8 million.

Financing

The Company refinanced a total of USD 155 million at a fixed rate. This transaction carried out on the US private placement market extended the debt's maturity by ten years as from 2018.

Comparative information

To satisfy regulatory requirements with regards to conflicts of interest and to increase the visibility of the Group's France-based operations and support activities, which were hosted by Bureau Veritas SA, on December 31, 2016, the Company spun off its France-based operations and support activities by means of six partial asset contributions, which has enabled the Company to refocus in France on its holding activity.

While the impacts of these spin-offs were included in the Company's balance sheet at December 31, 2016, enabling a comparison with the position at December 31, 2017, the 2016 income statement included the profit or loss of the spun-off businesses.

For comparative purposes, the notes to the statutory financial statements include *pro-forma* information where necessary.

Notes to the statutory financial statements

Note 1 Non-current assets

Non-current assets – gross values

(€ thousands)	01/01/2017	Increases	Decreases	Reclassifications and other movements	Currency translation differences	12/31/2017
Other intangible assets	1,323	48	(38)	-	(49)	1,284
Intangible assets in progress	-	-	-	-	-	-
Intangible assets	**1,323**	**48**	**(38)**	**-**	**(49)**	**1,284**
Fixtures and fittings	7,689	164	(6,075)	1,258	(84)	2,952
Machinery and equipment	1,933	145	(164)	-	(170)	1,744
Vehicles	1,368	54	(214)	-	(114)	1,094
Furniture and office equipment	6,487	141	(2,151)	208	(370)	4,315
IT equipment	4,006	360	(184)	63	(258)	3,987
Tangibles assets in progress	1,981	-	-	(1,529)	(42)	410
Tangible assets	**23,464**	**864**	**(8,788)**	**-**	**(1,038)**	**14,502**
Investments in subsidiaries and affiliates	1,918,113	6,616	(4,300)	8,304	-	1,928,733
Investments in non-consolidated companies	231	-	-	-	-	231
Deposits, guarantees and receivables	215,356	30,493	(27,586)	(1,590)	(232)	216,441
Treasury shares	13,879	-	(7,435)	-	-	6,443
Long-term financial investments	**2,147,579**	**37,109**	**(39,321)**	**6,714**	**(232)**	**2,151,848**
TOTAL	**2,172,366**	**38,021**	**(48,147)**	**6,714**	**(1,319)**	**2,167,634**

In April 2012, the Company set up a share buyback program in connection with its share-based payment plans in order to (i) deliver shares to beneficiaries of stock purchase options or performance share plans or (ii) cancel the repurchased shares.

At December 31, 2017, the Company held 323,719 own shares classified in long-term financial investments, i.e., 103,507 shares held in connection with the liquidity agreement and 220,212 shares to be canceled.

Depreciation, amortization and impairment of non-current assets

(€ thousands)	01/01/2017	Increases	Decreases	Reclassifications and other movements	Currency translation differences	12/31/2017
Other intangible assets	(1,213)	(57)	30	-	43	(1,197)
Intangible assets	**(1,213)**	**(57)**	**30**	**-**	**43**	**(1,197)**
Fixtures and fittings	(6,127)	(768)	5,342	(1)	28	(1,526)
Machinery and equipment	(1,160)	(176)	76	(1)	96	(1,165)
Vehicles	(1,211)	(88)	209	-	102	(988)
Furniture and office equipment	(4,695)	(495)	2,089	-	234	(2,867)
IT equipment	(3,286)	(437)	175	2	212	(3,335)
Tangible assets	**(16,479)**	**(1,964)**	**7,891**	**-**	**672**	**(9,881)**
Investments in subsidiaries and affiliates	(41,399)	(1,218)	3,713	-	-	(38,904)
Investments in non-consolidated companies	(150)	-	-	-	-	(150)
Deposits, guarantees and receivables	(5)	-	-	-	-	(5)
Treasury shares	-	-	-	-	-	-
Long-term financial investments	**(41,554)**	**(1,218)**	**3,713**	**-**	**-**	**(39,059)**
TOTAL	**(59,246)**	**(3,239)**	**11,634**	**-**	**715**	**(50,137)**

Note 2 Investments in subsidiaries and affiliates

A. Detailed information about subsidiaries and affiliates whose book value exceeds 1% of the reporting Company's capital

(€ thousands)	Share capitalin local currency	Reserves in local currency	Average exchange rate		% interest
			Local currency	2017	
Bureau Veritas International	843,677	830,550	EUR	1.000	100.00%
Bureau Veritas Services	3,778	184,564	EUR	1.000	100.00%
Bureau Veritas do Brasil	309,953	134,563	BRL	0.277	99.57%
Bureau Veritas Holdings Inc.	1	153,113	USD	0.885	100.00%
Bureau Veritas Investment Shanghaï	504,618	(50,455)	CNY	0.131	100.00%
Bureau Veritas Japan	351,071	367,482	JPY	0.008	100.00%
Bureau Veritas Marine & Offshore	10,001	2,742	EUR	1.000	100.00%
Bureau Veritas India Private Ltd.	876	1,723,985	INR	0.014	91.61%
Bureau Veritas Colombia	34,532,787	2,531,503	COP	0.000	99.99%
Bureau Veritas CPS India Ltd.	22,445	1,189,940	INR	0.014	100.00%
Bureau Veritas D.O.O SLV	499	1,454	EUR	1.000	100.00%
Bureau Veritas Peru	24,046	7,144	PEN	0.272	99.69%
Bureau Veritas Argentina	4,541	331,833	ARS	0.053	61.20%
ECS	262	787	EUR	1.000	100.00%
Bureau Veritas CPS Indonesia	2,665	41,279	IDR	0.066	85.00%
Bureau Veritas Commodities Canada Ltd.	72,000	(63,246)	CAD	0.683	58.00%
Bureau Veritas Indonesia	21,424	33,661	IDR	0.066	99.00%
Bureau Veritas Gabon	919,280	527,255	XAF	0.002	100.00%
Bureau Veritas CPS France	143	118	EUR	1.000	100.00%
Bureau Veritas Senegal	840,400	68,700	XOF	0.002	100.00%
Soprefira	1,262	30,484	EUR	1.000	99.98%
Bureau Veritas Certification Slovakia	423	69	EUR	1.000	100.00%
Bureau Veritas CPS Turkey	3,350	2,979	TRY	0.243	99.00%
Bureau Veritas CPS Bangladesh	10	728,632	BDT	0.011	98.00%
Bureau Veritas Douala	433,050	98,005	XAF	0.002	100.00%
Bureau Veritas QS Shanghai	5,308	28,793	CNY	0.131	100.00%
Affiliates (less than 50%-owned by the Company)					
Bureau Veritas Inversiones SA	15,854	51,490	EUR	1.000	24.00%
Bureau Veritas Chile	3,482,201	46,581,427	CLP	0.001	45.59%
SUBTOTAL					

Book value of shares held		Loans and advances granted	Guarantees and endorsements provided by the Company	Last published revenue	Last published net profit/(loss)	Dividends received by the Company during the year
Gross	Net					
1,270,571	1,270,571	1,008,747			233,843	123,915
196,395	196,395	66,106			(6,073)	
111,083	111,083			89,179	12,921	4,019
110,492	110,492	247,610	166,764		15,592	
69,062	69,062	27,137	22,020	39,991	1,964	23,182
22,928	22,928			85,346	12,619	10,727
13,501	13,501	39,943	2,500	98,503	(7,539)	
13,280	13,280			35,159	3,845	2,723
10,196	10,196	4,830		24,770	796	
5,822	5,822			22,718	2,935	2,332
4,464	4,464			7,317	652	208
4,334	4,334	475		17,554	1,369	1,194
3,938	3,938			59,327	7,508	1,552
2,065	2,065	1,354		4,355	196	
1,901	1,901			7,004	1,340	
31,971	1,793	54,691		21,735	553	
1,477	1,477	1,454		17,735	1,264	4,121
1,376	1,376	1,095		3,416	(458)	
1,496	1,290			4,022	121	45
1,281	1,281		805	7,582	968	726
1,262	1,262		28,006		2,983	
1,144	1,144			1,465	46	86
1,138	1,138	1,837		9,459	(65)	
675	675			21,575	8,250	
657	657	1,692		3,994	(129)	352
591	591			31,700	(992)	635
31,370	31,370	18,393			(1,884)	
1,109	1,109	13,852		52,527	3,580	
1,915,582	**1,885,199**	**1,489,216**	**220,095**	**666,432**	**296,203**	**175,818**

B. General information about other subsidiaries and affiliates

			Average exchange rate		
(€ thousands)	Share capitalin local currency	Reserves in local currency	Local currency	2017	% interest
Bureau Veritas Nigeria	40,000	1,367,702	NGN	0.003	60.00%
Bureau Veritas Lebanon	752,000	250,667	LBP	0.001	99.84%
Bureau Veritas Guinea	12,053,850	(7,076,673)	GNF	0.000	100.00%
Bureau Veritas Industrial Services	1,933	49,434	INR	0.014	100.00%
Bureau Veritas Vietnam	4,025	14,820	VND	0.039	100.00%
Bureau Veritas SATS	2,000	1,230	SAR	0.236	75.00%
Bureau Veritas Certification Belgium	219	6,670	EUR	1.000	99.98%
Bureau Veritas Gozetim Hizmetleri	2,241	13,500	TRY	0.243	94.17%
Bureau Veritas Polska	1,470	3,133	PLN	0.235	86.40%
Bureau Veritas CPS Vietnam Ltd.	2,388	53,677	VND	0.039	100.00%
Bureau Veritas Latvia	249	23	EUR	1.000	100.00%
Bureau Veritas Congo	69,980	237,202	XAF	0.002	100.00%
Bureau Veritas Hongrie	8,600	14,893	HUF	0.003	100.00%
Bureau Veritas Bangladesh Private Ltd.	5,500	186,692	BDT	0.011	99.82%
Bureau Veritas Monaco	150	11	EUR	1.000	99.92%
Bureau Veritas CPS Mexico	6,100	13,353	MXN	0.047	99.34%
Bureau Veritas Azeri	74	1,154	AZN	0.524	100.00%
Bureau Veritas Ecuador	3	154	USD	0.885	69.23%
Bureau Veritas Panama	50	1,387	PAB	0.885	100.00%
Bureau Veritas Lanka Ltd.	5,000	72,082	LKR	0.006	99.99%
Bureau Veritas Bulgaria	85	155	BGN	0.511	100.00%
Bureau Veritas Lithuania	43	(2)	EUR	1.000	100.00%
Bureau Veritas Romania CTRL	49	1,591	RON	0.219	100.00%
Bureau Veritas Pakistan	2,000	119,007	PKR	0.008	99.00%
Bureau Veritas Inspection Malaysia		2,318	MYR	0.206	100.00%
Bureau Veritas Egypt	100	251,041	EGP	0.050	90.00%
Bureau Veritas Kenya	2,000	145,175	KES	0.009	99.99%
Bureau Veritas Estonia	15	10	EUR	1.000	100.00%
Bureau Veritas Algerie	500	93,921	DZD	0.008	99.80%
Bureau Veritas D.O.O SRB	315	25,666	RSD	0.008	100.00%
Bureau Veritas Togo	1,000	(71,949)	XOF	0.002	100.00%
Bureau Veritas Benin	1,000	39,615	XOF	0.002	100.00%
Rinave Registro Int'l Naval	250	937	EUR	1.000	100.00%
Coreste	75	(1,905)	EUR	1.000	100.00%
Bureau Veritas CPS Thailand	8,000	(25,490)	THB	0.026	99.99%
Bureau Veritas Mali	10,000	(9,602,916)	XOF	0.002	100.00%
Bureau Veritas Angola	1,980	(2,579,543)	AOA	0.005	99.00%
Bureau Veritas Luxembourg	31	(171)	EUR	1.000	99.90%
Bureau Veritas Controle	1,300	(176,456)	MZN	0.014	63.00%
Bureau Veritas Belarus Ltd.	4	(410)	BYN	0.000	99.00%
Bureau Veritas Tchad	10,000	(24,771)	XAF	0.002	100.00%
Bureau Veritas Holding 4	1		EUR	1.000	100.00%
Bureau Veritas Venezuela	389	17,620	VEF	0.007	100.00%
Affiliates (less than 50%-owned by the Company)					
ATSI - France	80	660	EUR	1.000	50.00%
Bureau Veritas Thailand	4,000	27,136	THB	0.026	49.00%
Bureau Veritas Italy	4,472	9,578	EUR	1.000	11.63%
BIVAC International	5,337	1,296	EUR	1.000	0.01%
Bureau Veritas Chile Capacitacion Ltda	9,555	341,341	CLP	0.001	1.30%
STCV – Tunisia	2,400	1,945	TND	0.368	49.88%
Bureau Veritas Marine China	50,000	61,432	CNY	0.131	6.00%
Bureau Veritas Fiscalizadora Boliviana SRL	100	1,006	BOB	0.129	1.00%
TOTAL					

Book value of shares held						
Gross	Net	Loans and advances granted	Guarantees and endorsements provided by the Company	Last published revenue	Last published net profit/(loss)	Dividends received by the Company during the year
507	507	239		4,971	(394)	900
446	446			3,290	256	278
2,099	428	560		1,655	(35)	
356	356			2,781	1,182	662
273	273		1,668	5,107	505	418
266	266	1,126		4,740	(203)	
219	219			5,005	546	4,208
185	185			17,843	1,450	687
152	152			14,800	2,165	2,058
127	127			22,019	6,985	5,713
111	111			2,521	372	310
107	107	2,226		7,109	(308)	203
92	92			3,760	231	136
88	88			2,973	648	558
79	79			1,410	352	166
68	68	31		3,870	497	348
60	60		7,304	5,527	377	
55	55			2,186	99	129
47	47			3,772	642	1,230
47	47			981	182	125
45	45			1,516	177	235
30	30			2,646	313	320
28	28			5,293	1,129	999
25	25			3,582	127	
23	23			1,540	2,551	177
22	22			6,537	1,366	
19	19	1,242		7,140	878	
15	15			2,089	220	270
5	5	739		1,532	(287)	
4	4			1,119	198	
2	2	1,406		1,645	(135)	
2	2	328		663	(59)	
4,378				273	52	143
1,006		1,659			(10)	
275		3,107		865	116	
149		17,439		6,536	(84)	
73		4,927	1,606	14,149	1,229	
31		157			(1)	
27		3,038		4	(727)	
15		155		669	9	
15		1,400		829	(40)	
1					(2)	
782				27,449	13,157	
48	48			3,398	38	
63	63			11,709	2,518	2,087
9	9			84,085	6,630	794
		1,355			(10)	
1	1			1,372	568	
230	230			3,795	685	
346	346	396		58,688	13,061	968
99	3	923		1,923	136	9
1,928,733	**1,889,829**	**1,531,671**	**230,672**	**1,033,796**	**355,554**	**199,949**

Note 3 Shareholders' equity

Share capital

At December 31, 2017, share capital was composed of 442,000,000 shares, each with a par value of €0.12.

Changes in the number of shares comprising the share capital during the year were as follows:

(in number of shares)	2017	2016
At January 1	442,000,000	442,000,000
Capital reduction	(330,000)	(149,600)
Exercise of stock subscription options	330,000	149,600
AT DECEMBER 31	**442,000,000**	**442,000,000**

Movements in equity in 2017

(€ thousands)	
Share capital at January 1, 2017	53,040
Capital reduction	(40)
Share capital following the exercise of stock options	40
Share capital at December 31, 2017	**53,040**
Share premiums at January 1, 2017	40,670
Capital reduction	(6,279)
Share premiums following the exercise of stock options	3,119
Share premium at December 31, 2017	**37,510**
Reserves at January 1, 2017	581,389
Retained earnings (2016 net profit appropriation)	382,063
Dividend payout	(239,794)
Currency translation differences and other movements	(6,698)
Reserves at December 31, 2017	**716,960**
2017 net profit	287,321
Regulated provisions in 2017	973
TOTAL EQUITY AT DECEMBER 31, 2017	**1,095,804**

Breakdown of equity at December 31, 2017

(€ thousands)	
Share capital	53,040
Share premiums	37,510
Retained earnings	491,699
Legal reserve	5,316
Other reserves	219,945
Net profit for the year	287,321
Regulated provisions	973
TOTAL EQUITY AT DECEMBER 31, 2017	**1,095,804**

Note 4 Receivables and payables

Analysis of receivables

(€ thousands)	Gross	of which accrued income	1 year or less	More than 1 year
Trade receivables	**194,922**	**78,687**	**194,922**	
Social security taxes and other social taxes	250	250	250	
Income tax	27,551		27,551	
Other taxes, duties and similar levies	25,797		25,797	
Joint ventures and economic interest groupings	207		207	
Receivable from Group and associated companies	2,027,886		2,027,886	
Miscellaneous debtors	15,521	1,796	15,521	
Other receivables	**2,097,212**	**2,046**	**2,097,212**	
Marketable securities	**6,592**		**6,592**	
Prepaid expenses	**8,841**		**6,930**	**1,911**
TOTAL RECEIVABLES	**2,307,567**	**80,733**	**2,305,656**	**1,911**

Analysis of payables

(€ thousands)	Gross value	of which accrued expenses	1 year or less	More than 1 year	More than 5 years
Bank borrowings and debt	2,263,206	35,966	192,030	1,372,907	698,269
Other borrowings and debt	798		798		
Borrowings and debt	**2,264,004**	**35,966**	**192,828**	**1,372,907**	**698,269**
Trade payables	**179,231**	**36,192**	**179,231**		
Payable to employees	84,988	84,325	84,988		
Social security taxes and other social taxes	3,333	157	3,333		
Value added tax	3,940		3,940		
Other taxes, duties and similar levies	14,582	14,533	14,582		
Payable to Group and associated companies	899,030		899,030		
Miscellaneous payables	5,909	1,000	5,909		
Other payables	**1,011,782**	**100,015**	**1,011,782**		
Prepaid income	**16,200**		**16,200**		
TOTAL PAYABLES	**3,471,217**	**172,173**	**1,400,041**	**1,372,907**	**698,269**

Note 5 Provisions and impairment

A. Impairment of assets

(€ thousands)	2017	2016
Long-term financial investments	39,059	41,554
Trade receivables	10,398	14,084
Other receivables	27,533	27,675
IMPAIRMENT OF ASSETS	**76,990**	**83,313**

Impairment recognized against other receivables mainly concerns current accounts of subsidiaries.

B. Regulated provisions carried in liabilities

(€ thousands)	2017	2016
REGULATED PROVISIONS	**973**	**973**

Regulated provisions comprise accelerated tax amortization recognized on acquisition fees for shares acquired since 2007.

C. Provisions for liabilities and charges

(€ thousands)	2017	2016
Pensions and other employee benefits	42,999	40,863
Contract-related disputes	5,336	5,352
Provision for exchange losses	4,616	1,440
Other contingencies	17,339	30,495
Losses on completion	749	456
PROVISIONS FOR LIABILITIES AND CHARGES	**71,039**	**78,606**

The provision for pensions and other employee benefits takes into account a discount rate determined by reference to the yield on IBOXX Euro Corporate AA 10-year bonds. The discount rate was 1.56% for France-based employees at December 31, 2017, compared with 1.71% at end-2016.

Movements during the year are shown below:

(€ thousands)	2017	2016
At January 1	**78,606**	**207,874**
Additions	16,282	45,580
Reversals (utilized provisions)	(8,757)	(38,165)
Reversals (surplus provisions)	(13,103)	(18,768)
Impact of the spin-off of France-based activities		(118,083)
Other movements	(1,989)	168
AT DECEMBER 31	**71,039**	**78,606**

Within the ordinary course of business, the Company is involved in various disputes and legal actions seeking to establish its civil liability in connection with the services it provides.

Provisions resulting from such proceedings are calculated taking into account the Group's insurance policies. Based on the latest available information, these disputes will not have a material adverse impact on the Company's financial statements.

Other contingencies also include provisions for tax risks in the various tax jurisdictions in which the Company operates through its branches.

Regarding ongoing tax disputes, the Company received a tax adjustment proposal from the French tax authorities for fiscal years 2010 to 2014. Within the scope of the adversarial proceedings, the Company presented the arguments allowing it to defend its position. Following the tax authorities' approval, the Company is exposed to a residual risk in respect of this dispute, and a provision has been set aside in this respect. The Company, with the help of its advisers, deems that the provisions presented in its financial statements reflect the best assessment as to the potential consequences of these disputes.

There are no other government, administrative, legal or arbitration proceedings or investigations (including any proceedings of which the Company is aware that are pending or with which it is threatened) that could have, or have had over the last 12 months, a material impact on the Company's financial position or profitability.

Note 6 Off-balance sheet commitments and financial instruments

A. Guarantees given (excluding commitments related to financing)

Commitments given by the Company in the form of guarantees break down as follows:

(€ thousands)	**2017**	**2016**
Commitments given	**273,380**	**331,399**
Bank guarantees on contracts	51,630	67,751
Miscellaneous bank guarantees	22,100	17,322
Parent company guarantees	199,650	246,326

B. Commitments related to Company and Group financing

Undrawn confirmed credit lines

At December 31, 2017, the Company had a secured private financing facility totaling USD 155 million.

Bureau Veritas Holdings, Inc. 2017 US Private Placement

Bureau Veritas Holdings, Inc., a wholly-owned subsidiary, has a USD 200 million private placement that is secured by the Company.

C. Derivative financial instruments

All of the derivative instruments that the Company has set up are used as part of its hedging strategy.

At December 31, 2017, currency derivatives hedging the 2008 US Private Placement debt were as follows:

Maturity	Notional amount	Fair value of derivative
07/16/2018	GBP 23 million	(3.0)
07/16/2020	GBP 40 million	(6.7)
TOTAL AT DECEMBER 31, 2017		**(9.7)**

The Company has set up multi-currency foreign exchange derivatives hedging the euro. These instruments are set up on a centralized basis and are designed to protect the Group against currency risk arising on its intra-group loans and advances.

Foreign exchange derivatives maturing within one year (currency swaps and forward purchases and sales) in place at December 31, 2017 were as follows:

Currency	Notional amount *(millions of currency units)*	Fair value of derivative
USD	287.0	(3.0)
CAD	(98.0)	1.5
ZAR	(139.0)	(0.4)
SGD	(101.0)	0.4
RUB	42.0	0.1
PLN	5.0	0.0
JPY	1,178.0	(0.1)
GBP	(65.0)	0.3
CNY	(277.0)	(0.2)
AUD	173.0	0.4
SEK	(113.0)	(0.2)
DKK	(95.0)	0.0
CZK	(146.0)	0.0
NOK	(45.0)	0.0
HUF	39.0	0.0
CHF	(4.0)	0.0
TOTAL AT DECEMBER 31, 2017		**(1.2)**

The Company had no interest rate hedges at year-end. At December 31, 2017, the Company had no derivative instruments classified as trading instruments.

Note 7 Analysis of revenue

Analysis of revenue by business

(€ thousands)	2017	2016 Pro-forma	2016
Marine & Offshore	90,884	85,687	174,484
Industry	103,168	89,709	173,538
Buildings & Infrastructure	22,529	27,128	508,221
Certification	15,562	18,702	31,656
Agri-Food & Commodities	36,245	42,476	62,550
Consumer Products	-	32	32
TOTAL	**268,388**	**263,733**	**950,481**

The segment analysis takes into account the impacts as from January 1, 2017 of the changes to the Group's presentation of the segment reporting.

Accordingly, the 2016 figures have been restated. Revenue from “Government Services & International Trade” has been allocated to “Agri-Food & Commodities” while the “In-Service Inspection & Verification” business has been allocated between “Industry” and “Buildings & Infrastructure”.

Analysis of revenue by geographic area

(€ thousands)	**2017**	**2016 Pro-forma**	**2016**
France	-	-	686,749
EMEA	225,336	220,393	220,393
Americas	367	362	362
Asia Pacific	42,685	42,977	42,977
TOTAL	**268,388**	**263,733**	**950,481**

The EMEA region includes Europe (excluding France), Africa and the Middle East.

Note 8 Net financial income (expense)

(€ thousands)	**2017**	**2016**
Financial income		
Dividends	205,858	343,122
Income from other marketable securities and receivables on non-current assets	74	302
Other interest income	23,318	19,517
Reversals of provisions	12,651	21,402
Exchange gains	17,236	62,130
Total financial income	**259,137**	**446,473**
Financial expense		
Additions to provisions	(14,099)	(9,128)
Interest expense	(85,796)	(91,213)
Exchange losses	(12,398)	(58,070)
Total financial expense	**(112,293)**	**(158,411)**
NET FINANCIAL INCOME	**146,844**	**288,062**

The impacts of the spin-off of the Company's France-based operations and support activities do not change the comparability of results between 2016 and 2017.

Note 9 Net exceptional income (expense)

(€ thousands)	**2017**	2016
Exceptional income		
On management transactions	1,235	988
On capital transactions	29,771	7,511
Reversals of provisions	12,888	37,695
Total exceptional income	**43,894**	**46,194**
Exceptional expense		
On management transactions	(985)	(835)
On capital transactions	(4,831)	(13,977)
Additions to provisions	(1,432)	(7,513)
Total exceptional expense	**(7,248)**	**(22,325)**
NET EXCEPTIONAL INCOME	**36,646**	**23,869**

The impacts of the spin-off of the Company's France-based operations and support activities do not change the comparison of results between 2016 and 2017.

The net exceptional income for 2017 notably reflects a capital gain of €25.5 million resulting from the sale of the subsidiaries Bureau Veritas Mexicana and Bureau Veritas Russia to Bureau Veritas International.

Note 10 Income tax

Breakdown of current and exceptional income tax

	2017		2016	
(€ thousands)	**Amount before income tax**	**Income tax**	Amount before income tax	Income tax
Profit from ordinary operations	223,489	(27,030)	436,147	66,869
Net exceptional income	36,646	(162)	23,869	(79)

A comparison cannot be made between 2016 and 2017 due to the spin-off of the France-based operations and support activities as the subsidiaries that received the spun-off operations, which all belonged to the tax consolidation group at January 1, 2017, now record the tax expense corresponding to the income from these operations.

The 2017 income statement was also impacted by the refund received by the Company in December 2017 of the 3% tax on dividends paid by the Company has paid since 2013, after this was declared null and void by the French Constitutional Court in October 2017.

Tax consolidation

In accordance with article 223A of the French Tax Code, the Company is the sole Group entity liable for income tax payable in respect of fiscal years beginning on or after January 1, 2008.

The tax consolidation group comprises:

BIVAC International, Bureau Veritas Certification France, Bureau Veritas Certification Holding, Bureau Veritas CPS France, Bureau Veritas Services France, Bureau Veritas Construction, Bureau Veritas Exploitation, Bureau Veritas Marine & Offshore, Bureau Veritas GSIT, Bureau Veritas International, Bureau Veritas Laboratoires, Codde, ECS, Transcable-Halec, LCIE, Medi-Qual, Oceanic Développement, Bureau Veritas Services, SODIA, Tecnitas, HydrOcean, Bureau Veritas Holding France, Bureau Veritas Holding 4, Bureau Veritas Holding 5, Bureau Veritas Holding 6, Bureau Veritas Holding 7, Bureau Veritas Holding 8 and Unicar Group.

Under tax consolidation rules, subsidiaries pay contributions in respect of income tax. Regardless of the tax effectively due, these contributions shall be equal to the income tax for which the subsidiary would have been liable or to the net long-term capital gain for the period had it been taxed as a separate entity, less all deduction entitlements that would have applied to the separately taxable entity.

Deferred tax

(€ thousands)	2017	2016
Deferred tax assets	9,097	21,527
Deferred tax liabilities	(1)	(24)
NET DEFERRED TAX ASSETS	**9,096**	**21,503**

Deferred taxes at December 31, 2017 are presented after offsetting deferred tax assets and deferred tax liabilities relating to the same tax entity or tax group, where applicable, and primarily comprise deferred tax on provisions for pensions and other employee benefits, non-deductible accrued charges, and provisions for contract-related disputes.

Note 11 Share-based payment

The Company has set up two types of equity-settled compensation plans:

- stock subscription and purchase option plans;
- performance share plans.

Stock subscription and purchase option plans

Description

Stock subscription and purchase options are granted to senior managers and other selected employees.

Stock purchase option plans granted since 2011 will give rise to the purchase of shares on the open market, whereas stock option plans granted up to 2010 concerned stock subscription options which entitled their holders to subscribe for newly issued shares on exercise of their options.

The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Depending on the plans, options are conditional on achieving performance targets and the employee having completed three years' service and are valid for eight to ten years after the grant date.

The exercise price is fixed when the options are awarded and cannot be changed.

Pursuant to a decision of the Board of Directors on June 21, 2017, the Company awarded 1,229,060 stock purchase options to certain employees and to the Executive Corporate Officer. The options granted may be exercised at a fixed price of €20.65.

To be eligible for the stock options plans, beneficiaries must complete a minimum period of service and meet certain performance targets based on 2017 adjusted consolidated operating profit and on the consolidated operating margin for 2018 and 2019.

OVERVIEW OF COMPANY STOCK OPTION PLANS AT DECEMBER 31, 2017:

Grant date	Expiration date	Exercise price (in euros per option)	Number of options 2017	Number of options 2016	Contribution basis (in euros per option)
07/03/2009 Plan	07/03/2017	8.75	-	234,000	0.22
07/23/2010 Plan	07/23/2018	11.58	216,000	312,000	0.25
07/18/2011 Plan	07/18/2019	14.42	186,000	368,000	0.29
12/14/2011 Plan	12/14/2019	13.28	78,480	78,480	0.32
07/18/2012 Plan	07/18/2020	17.54	817,546	1,126,186	0.87
07/22/2013 Plan	07/22/2021	21.01	1,021,594	1,111,594	0.71
07/16/2014 Plan	07/16/2022	20.28	723,733	771,527	0.60
07/15/2015 Plan	07/15/2025	20.51	1,239,386	1,248,250	0.83
06/21/2016 Plan	06/21/2026	19.35	400,224	1,300,400	0.70
06/21/2017 Plan	06/21/2027	20.65	1,229,060	-	0.51
NUMBER OF OPTIONS AT DECEMBER 31			**5,912,023**	**6,550,437**	

Performance share plans

Description

Performance shares were awarded to senior managers and other selected employees, which will require the Group to buy back its shares on the market. Depending on the plan, performance shares are generally conditional on completing three to four years of service and achieving performance targets based on adjusted consolidated operating profit for the year of the award and on the consolidated adjusted operating margin for the following two years.

Pursuant to a decision of the Board of Directors on June 21, 2017, the Company awarded 1,207,820 performance shares to certain employees and to the Executive Corporate Officer. To be eligible for the performance share plans, beneficiaries must complete a minimum period of service and meet certain performance targets based on 2017 adjusted consolidated operating profit and the consolidated adjusted operating margin for 2018 and 2019.

Pursuant to a decision of the Board of Directors, the Company also awarded 800,000 performance shares to the Executive Corporate Officer on July 22, 2013. The conditions for the share award were amended pursuant to a decision of the Board of Directors of December 11, 2015 and the shares are now subject to a minimum service period of nine years as Corporate Officer, followed by a two-year mandatory holding period, and a performance target based on the Total Shareholder Return (TSR). TSR is an indicator of the profitability of the Company's shares over a given period, taking into account the dividend and any market share price gains.

OVERVIEW OF COMPANY PERFORMANCE SHARE PLANS AT DECEMBER 31, 2017:

		Number of shares		Contribution basis
Grant date	Expiration date	2017	2016	*(in euros per option)*
07/22/2013 Plan	07/22/2017	-	632,222	5.25
07/22/2013 Plan	07/22/2022	720,000	720,000	1.73
07/16/2014 Plan	07/16/2018	436,108	826,365	4.70
07/15/2015 Plan	07/15/2019	991,044	1,048,998	4.95
06/21/2016 Plan	06/21/2019	497,052	1,110,850	3.87
06/21/2017 Plan	06/21/2020	1,191,420	-	4.16
NUMBER OF SHARES AT DECEMBER 31		**3,835,624**	**4,338,435**	

Performance shares and stock purchase options awarded to beneficiaries not directly employed by the Company

The cost of awarding performance shares to beneficiaries not directly employed by the Company is borne by the Company through its purchases of shares on the market.

In 2017, the Company therefore recognized the estimated cost of performance shares and exercisable stock options awarded to beneficiaries not directly employed by the Company under the new 2017 plan.

In parallel, the Company continued to implement a procedure under which the cost of the awards made to these beneficiaries are rebilled to the Group companies employing them. Income totaling €20.0 million was recognized in this respect in 2017 (€15.2 million in 2016).

Impact of share-based payment plans on the Company's financial statements

In 2017, the Company recognized a total expense of €26.5 million (€21.0 million in 2016) in respect of share-based payment plans. The expense reflects the cost of the shares to be delivered, estimated based on the price of the purchases made between 2013 and 2017, and the closing share price at December 31, 2017. In 2016, the expense reflected purchases made between 2013 and 2016 and the closing share price at December 31, 2016.

At December 31, 2017, the liability (amount payable to employees) amounted to €69.9 million (end-2016: €64.1 million).

At December 31, 2017, the Company held 5,466,563 of its own shares for delivery under stock option and performance share plans. These shares are shown on a separate asset line in the balance sheet for €106.9 million (€88.5 million at end-2016).

Note 12 Employees

	2017	2016
Employees	2,015	8,581

The reduced headcount by around 6,500 employees resulted from the spin-off of the Company's activities in France at the end of 2016.

Statutory Auditors' report on the financial statements

For the year ended December 31, 2017

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Bureau Veritas,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Bureau Veritas for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from January 1, 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the matter set out in the "Summary of significant accounting policies" section of the notes to the financial statements, which describes the change of accounting policy as a result of the first-time application as of January 1, 2017 of ANC Regulation 2015-05 on forward financial instruments and hedging transactions.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments and loans and advances to subsidiaries

Description of risk

As stated in Note 2 to the financial statements, equity investments represented a net amount of €1,889.9 million in the balance sheet for the year ended December 31, 2017. Loans and advances to subsidiaries stood at €1,531.7 million.

Investments in subsidiaries are carried in the balance sheet at acquisition cost and may be impaired if their value in use falls below their gross value.

As indicated in the "Summary of significant accounting policies" section of the notes to the financial statements under "Long-term investments", management generally estimates the value in use of these investments based on the Company's share in their net book assets, adjusted where appropriate to take account of forecast data, such as that relating to the profitability outlook.

Estimating the value in use therefore requires management to exercise judgement when selecting the inputs to be taken into account for each investment.

Accordingly, due to the inherent uncertainty of certain inputs of the estimation, in particular the likelihood of achieving projections, we deemed the measurement of equity investments and loans and advances to subsidiaries to be a key audit matter.

How our audit addressed this risk

In order to assess the reasonableness of the estimated value in use of equity investments, our audit work consisted mainly in verifying that the estimated values determined by management were based on an appropriate measurement method and underlying data.

For valuations based on historical data, we verified that the equity values used were consistent with the financial statements of the entities concerned, and that any adjustments to equity were based on documentary evidence.

To assess the reasonableness of valuations based on forecast data, we obtained the projected cash flows and operating cash flows of the entities concerned based on budget data prepared under the supervision of general management.

In addition to assessing the values in use of the equity investments, our work also consisted in assessing the recoverability of the related loans and advances in accordance with the analyses conducted of equity investments.

Verification of the management report and of the other documents provided to the shareholders

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

Information given in the management report with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Bureau Veritas by the Shareholders' Meetings held on June 25, 1992 for PricewaterhouseCoopers Audit and on May 17, 2016 for Ernst & Young Audit.

At December 31, 2017, PricewaterhouseCoopers Audit was in the twenty-sixth year of total uninterrupted engagement and the eleventh year since the securities of the Company were admitted to trading on a regulated market, and Ernst & Young was in the second year of total uninterrupted engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- Evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Neuilly-sur-Seine and Paris-La Défense, March 16, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young Audit
Christine Bouvry	Nour-Eddine Zanouda

5.3 Additional information regarding the Company in view of the approval of the 2017 financial statements

5.3.1 Activity and results of the parent company

(in €)	2017	2016
Revenue	268,388,075.10	950,481,164.77
Operating profit	76,645,230.00	148,085,203.07
Net exceptional income	36,645,685.81	23,868,868.53
Net profit	287,320,982.55	382,063,214.64
Equity	1,095,803,080.27	1,058,135,459.04

The bases of measurement used to prepare the annual statutory financial statements are identical to those adopted in previous years.

The bases of presentation include the impacts of the entry into force on January 1, 2017 of ANC regulation 2015-05, as described in the notes to the statutory financial statements.

5.3.2 Recommended appropriation of 2017 net profit

The Board of Directors informs the shareholders that as of December 31, 2017:

- the legal reserve stood at €5,316,392.40 compared to share capital of €53,040,000.00, and therefore represents one-tenth of the share capital;
- net profit for the period was €287,320,982.55. Based on retained earnings of €491,698,390.70 at December 31, 2017, the Company's distributable profit amounted to €779,019,373.25.

The Board will recommend the following profit appropriation to shareholders:

- a dividend of €0.56 per share, representing a total amount of €247,520,000.00 based on the number of shares making up the share capital at December 31, 2017 (442,000,000 shares);
- the balance of €531,499,373.25 to be allocated to "Retained earnings".

In accordance with section 1 A, paragraph 1 of article 200 A of the French Tax Code, as from January 1, 2018 dividends received by individual shareholders who are resident in France for tax purposes are subject to a 12.8% withholding tax.

However, in accordance with section 2 of article 200 A of the French Tax Code, these individual shareholders may also opt to be taxed at the income tax rate. In this case and in accordance with section 3, paragraph 2 of article 158 of the French Tax Code, they will be eligible for a 40% tax deduction on the amount of any dividends.

In any event, Bureau Veritas will withhold 12.8% at source from the gross amount of the dividend (increased by social contributions at the rate of 17.2%, i.e., a total of 30%). The 12.8% withholding at source is an advance income tax payment and will therefore be deductible from the income tax due by the beneficiary in 2019 based on the income received in 2018.

The dividend will be paid as of May 22, 2018.

Shareholders will be asked to approve any dividends unable to be paid on treasury shares to be allocated to "Retained earnings". More generally, in the event of a change in the number of shares carrying dividend rights, it will be recommended that the overall amount of said dividend be adjusted accordingly and the amount allocated to "Retained earnings" be determined on the basis of the dividend actually paid.

DIVIDEND PAYOUTS OVER THE LAST THREE FINANCIAL YEARS

The following dividends were paid over the last three financial years:

Year	Total amount distributed	Number of shares concerned	Dividend per share[(a)]
2014	€209,809,271.04	437,102,648	0.48[(b)]
2015	€222,770,924.85	436,805,735	0.51[(c)]
2016	€239,794,093.00	435,989,260	0.55[(d)]

(a) The dividend per share was paid during 2015.
(b) The dividend per share was paid during 2016.
(c) The dividend per share was paid during 2017.
(d) In accordance with article 243 bis of the French Tax Code, these dividends entitle the shareholders to the 40% deduction referred to in article 158, paragraph 3 (2) of the French Tax Code.

The dividend distribution policy is set out in section 6.8.2 – Dividend distribution policy of this Registration document.

5.3.3 Total sumptuary expenditure and related tax

In accordance with the provisions of article 223 *quater* of the French Tax Code, it should be noted that the Company's financial statements for the year ended December 31, 2017 take into account an amount of €60,601.58 in non-deductible expenditure within the meaning of article 39-4 of the French Tax Code, resulting in a tax effect of €20,867.14. This non-deductible expenditure will be submitted to the Shareholders' Meeting for approval.

5.3.4 Subsidiaries and affiliates

The table illustrating the Company's subsidiaries and affiliates can be found in Note 2, Chapter 5.2 – Bureau Veritas SA Statutory financial statements of this Registration document.

5.3.5 Five-year financial summary

(in thousands of euros except per-share data expressed in euros)	**2017**	**2016**	**2015**	**2014**	**2013**
I - Financial position					
a) Share capital	53,040	53,040	53,040	53,164	53,045
b) Number of shares issued[(a)]	442,000,000	442,000,000	442,000,000	443,032,700	442,042,000
c) Number of bonds convertible into shares	-	-	-	-	-
II - Comprehensive income from operations					
a) Revenue excluding taxes	268,388	950,481	952,763	869,571	873,573
b) Profit before taxes, depreciation, amortization and provisions	252,009	446,260	358,454	350,388	167,858
c) Income tax	(27,192)	66,790	42,495	27,069	37,730
d) Profit after taxes, depreciation, amortization and provisions	287,321	382,063	279,221	281,313	89,594
e) Distributed profit[(b)]	247,520	239,794	222,771	209,809	209,513
III - Earnings per share data					
a) Profit after taxes, but before depreciation, amortization and provisions[(a)]	0.63	0.86	0.71	0.73	0.29
b) Profit after taxes, depreciation, amortization and provisions[(a)]	0.65	0.86	0.63	0.63	0.20
c) Net dividend per share[(b)]	0.56	0.55	0.51	0.48	0.48
IV - Personnel costs					
a) Number of employees	2,015	8,581	8,523	8,282	8,457
b) Total payroll	123,332	396,496	402,571	373,216	390,590

(a) In 2017, the share capital comprised 442,000,000 shares, each with a par value of €0.12, following:
- *330,000 shares subscribed further to the exercise of options; and*
- *330,000 shares canceled.*

(b) The dividend for 2017 will be recommended to shareholders at the Shareholders' Meeting of May 15, 2018.

5.3.6 Information regarding payment terms

Since December 1, 2008, the Company applies the provisions of the French Economic Modernization ("LME") Act of August 4, 2008 and pays its suppliers within 60 days of the date invoices are issued. Contracts with suppliers and payments have been adapted accordingly.

In accordance with articles L.441-6-1 and D.441-4 of the French Commercial Code, outstanding incoming or outgoing invoices that have not been paid and are past due, as determined by legal or contractual terms with regard to the relevant third party, break down as follows:

		Breakdown of payment terms					
Incoming invoices	**0 days late**	**1-31 days**	**31-60 days**	**61-90 days**	**91+ days late**	**Total 1+ days**	**Excluded invoices (disputes)**
Number of invoices	1	40	7	4	11	62	32
Amount excl. VAT	1,671	104,278,483	7,826	5,677	26,646	104,318,632	2,081,062
%/Total purchases excl. VAT during the year	0.00%	80.81%	0.01%	0.00%	0.02%	80.85%	1.61%

		Breakdown of payment terms				
Outgoing invoices	**0 days late**	**1-31 days**	**31-60 days**	**61-90 days**	**91+ days late**	**Total 1+ days**
Number of invoices	0	264	3	51	141	459
Amount excl. VAT	0	28,043,290	218,755	5,492,051	12,166,546	45,920,642
%/Total revenue excl. VAT during the year	-	14.73%	0.11%	2.88%	6.39%	24.12%

6

Information on the Company and the capital

Components of the Annual Financial Report are identified in this table of contents with the sign AFR

6.1 General information

Corporate name

Bureau Veritas

Registered office

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

Tel: +33 (0) 1 55 24 70 00 – Fax: +33 (0) 1 55 24 70 01

Registration place and number

Bureau Veritas is registered with the Nanterre Trade and Companies Register (*Registre du commerce et des sociétés*) under number 775 690 621. The Company's APE Code, which identifies the type of business it carries out, is 7120B, corresponding to the business of technical analyses, trials and inspections.

Date of incorporation and term

The Company was incorporated on April 2 and 9, 1868, by Maître Delaunay, notary in Paris. Its incorporation will expire, unless wound up or extended by an Extraordinary Shareholders' Meeting in accordance with the law and its by-laws, on December 31, 2080.

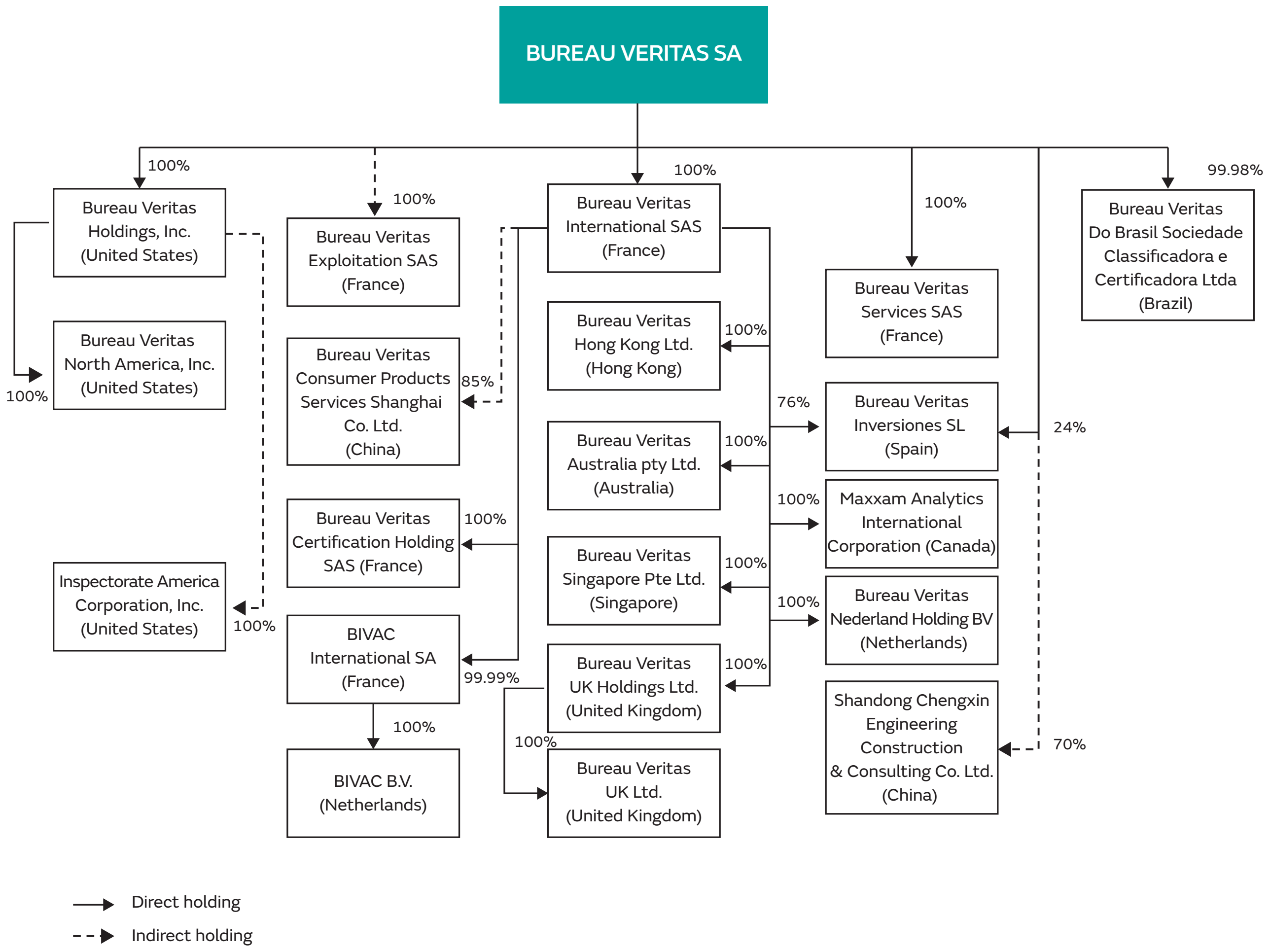
Legal form and applicable legislation

The Company is a joint stock company (*société anonyme*) under French law with a Board of Directors and is subject to the provisions of Book II of the French Commercial Code (*Code de commerce*) applicable to commercial companies and to any other legal or regulatory provisions applicable to commercial companies and to its by-laws.

Accounting period

From January 1 to December 31 each year.

6.2 Simplified Group organization chart at December 31, 2017



The percentage interest shown in the organization chart above equates to the percentage of control.

6.3 Main subsidiaries in 2017

The Group is made up of Bureau Veritas SA and its branches and subsidiaries. At the head of the Group, Bureau Veritas SA owns holdings in various companies in France and elsewhere. In addition to its activity as a holding company, it also engages in its own business activity through branches outside France.

Bureau Veritas SA recorded revenue of €268.4 million in 2017.

The main cash flows between Bureau Veritas SA and its consolidated subsidiaries relate to brand royalties and technical royalties, centralized cash management and invoicing of relevant amounts for insurance coverage. The main cash flows between the Company and its subsidiaries are also presented in the special reports of the Statutory Auditors on related-party agreements, which are set out in section 6.10 – Related-party transactions of this Registration document.

The Group had 515 legal entities at December 31, 2017 compared to 492 at December 31, 2016, reflecting the creation of six new entities, the consolidation of 34 acquired entities and, conversely, a reduction of 17 entities as part of the Group's streamlining initiative.

A description of the Group's 20 main direct and indirect subsidiaries is provided below.

Most of these are holding companies for the Group's businesses in each country. A description of the business activities of the operational subsidiaries is also provided. A list of the Group's subsidiaries is included in Note 38 – Scope of consolidation to the 2017 consolidated financial statements, in section 5.1 of this Registration document.

The selected subsidiaries met at least one of the following five criteria during one of the last two financial years: i) the carrying amount of the entity's securities recorded in Bureau Veritas SA's statement of financial position exceeded €50 million; ii) the entity represented at least 5% of consolidated equity; iii) the entity represented at least 5% of consolidated net profit; iv) the entity represented at least 5% of consolidated revenue; and v) the entity represented at least 5% of total consolidated assets.

Bureau Veritas Holdings, Inc. (United States)

Bureau Veritas Holdings, Inc. is a US-based company incorporated in June 1988 whose registered office is located at 1601 Sawgrass Corporate Parkway, Ste 400, Fort Lauderdale, FL 33323, United States. As a holding company that is directly wholly-owned by Bureau Veritas SA, its corporate purpose is to hold the Group's interests in the North American subsidiaries.

Bureau Veritas North America, Inc. (United States)

Bureau Veritas North America, Inc. is a US-based company whose registered office is located at 1601 Sawgrass Corporate Parkway, Ste 400, Fort Lauderdale, FL 33323, United States. The company is a wholly-owned subsidiary of Bureau Veritas Holdings, Inc. It operates in the Health, Safety and Environment field and in construction. In 2017, it recorded external revenue of USD 149.3 million (€132.1 million).

Inspectorate America Corporation, Inc. (United States)

Inspectorate America Corporation, Inc. is a US-based company whose registered office is located at 12000 Aerospace Avenue, Suite 200, Houston, Texas 77034, United States. The company has been indirectly wholly-owned by Bureau Veritas Holdings, Inc. since September 2010, following Bureau Veritas' acquisition of the Inspectorate group. Its main activity is inspecting and testing oil and petrochemical products, metals and minerals and agricultural products. In 2017, it recorded external revenue of USD 179 million (€158.4 million).

Bureau Veritas Exploitation SAS (France)

Bureau Veritas Exploitation SAS is a French company incorporated in 2012 whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. The company is wholly-owned by Bureau Veritas Services France SAS, providing services for In-Service Inspection & Verification, Health, Safety and Environment and Asset Management on existing constructions. In 2017, it recorded external revenue of €426.8 million.

Bureau Veritas International SAS (France)

Bureau Veritas International SAS is a French simplified joint stock company (*société par actions simplifiée*) whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. The company was incorporated in March 1977. It is a holding company that controls several foreign subsidiaries and is a wholly-owned subsidiary of Bureau Veritas SA.

Bureau Veritas Consumer Products Services Shanghai Co. Ltd. (China)

Bureau Veritas Consumer Products Services Shanghai Co. Ltd. is a Chinese company incorporated in 1996 whose registered office is located at 168, Guanghua Road, Minhang District, Shanghai 201 108, China. It is 85%-owned by Bureau Veritas Consumer Products Services Hong Kong Ltd. Its core business is providing Consumer Products services. In 2017, it recorded external revenue of CNY 510.1 million (€66.9 million).

Bureau Veritas Certification Holding SAS (France)

Bureau Veritas Certification Holding SAS is a French simplified joint stock company (*société par actions simplifiée*) whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. Founded in March 1994, it is a wholly-owned subsidiary of Bureau Veritas International SAS. It controls most of the Certification subsidiaries.

BIVAC International SA (France)

BIVAC International SA is a French joint stock company (*société anonyme*) whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. BIVAC International SA was founded in March 1991 as a holding company and headquarters for the Government Services & International Trade (GSIT) business. It is a 99.99%-owned subsidiary of Bureau Veritas International SAS.

Bureau Veritas Inspection Valuation Assessment and Control – BIVAC B.V. (Netherlands)

Bureau Veritas Inspection Valuation Assessment and Control – BIVAC B.V. is a Dutch joint stock company incorporated in September 1984 whose registered office is located at Boompjes 40 3011XB Rotterdam, Netherlands. BIVAC B.V. is a wholly-owned subsidiary of BIVAC International SA. Its main business is to manage support operations for Government Services & International Trade. In 2017, it recorded external revenue of €46.1 million.

Bureau Veritas Hong Kong Ltd. (Hong Kong, China)

Bureau Veritas Hong Kong Ltd. is a Chinese company incorporated in October 2004 whose registered office is located at 7F Octa Tower, 8 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong. Bureau Veritas Hong Kong Ltd. is a wholly-owned subsidiary of Bureau Veritas International SAS and has subsidiaries in Asia. Apart from its activity as a holding company, it carries out operational activities and recorded HKD 1,588.2 million in external revenue (€180.4 million) in 2017.

Bureau Veritas Australia Pty Ltd. (Australia)

Bureau Veritas Australia Pty Ltd. is an Australian company incorporated in 1999 whose registered office is located at Unit 3, 435 Williamstown Road, Port Melbourne, VIC3207, Australia. It is a holding company for the Group's businesses in Australia and is wholly-owned by Bureau Veritas Singapore Pte Ltd. It also carries out certification and compliance assessments of industrial processes. In 2017, this operating activity recorded AUD 7.4 million in external revenue (€5 million).

Bureau Veritas Singapore Pte Ltd. (Singapore)

Bureau Veritas Singapore Pte Ltd. is a Singaporean company incorporated in 2002 whose registered office is located at 20 Science Park Road, N°03-01 Teletech Park, 117674, Singapore Science Park II, Singapore. The company is wholly-owned by Bureau Veritas International SAS. It operates in Singapore and owns certain Group operating assets in the region, particularly the 51% holding in the Australian company Dairy Technical Services (DTS), acquired in 2016. The company recorded external revenue of SGD 15.4 million (€9.9 million) in 2017.

Bureau Veritas UK Holdings Ltd. (United Kingdom)

Bureau Veritas UK Holdings Ltd. is a British company incorporated in November 2005 whose registered office is located at Suite 308, Fort Dunlop, Fort Parkway, Birmingham, West Midlands, B24 9FD, United Kingdom. Bureau Veritas UK Holdings Ltd. is a wholly-owned subsidiary of Bureau Veritas International SAS and owns the Group’s operating assets (excluding Marine & Offshore) in the United Kingdom.

Bureau Veritas UK Ltd. (United Kingdom)

Bureau Veritas UK Ltd. is a British company incorporated in October 1983 whose registered office is located at Brandon House, 180 Borough High Street, London, SE1 1LB, United Kingdom. Bureau Veritas UK Ltd. is a wholly-owned subsidiary of Bureau Veritas UK Holdings Ltd. Its main business is In-Service Inspection & Verification. In 2017, it recorded external revenue of GBP 72.3 million (€82.5 million).

Bureau Veritas Services SAS (France)

Bureau Veritas Services SAS is a French company incorporated in 1987 whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. The company is wholly-owned by Bureau Veritas SA. It provides support services in France for the Group worldwide and also owns holdings in France, particularly in the Industry and Buildings & Infrastructure sectors.

Bureau Veritas Inversiones SL (Spain)

Bureau Veritas Inversiones SL is the parent company of the ECA group, acquired by Bureau Veritas in October 2007. Established in 2003, its registered office is located at Cami Can Ametller 34, Edificio Bureau Veritas, 08195 Sant Cugat del Vallès, Barcelona, Spain. Bureau Veritas Inversiones SL is jointly owned by Bureau Veritas International SAS (76%) and Bureau Veritas SA (24%). It is a holding company and owns operating assets in Spain.

Maxxam Analytics International Corporation (Canada)

Maxxam Analytics International Corporation is a Canadian company whose registered office is located at 1919 Minnesota Court, Suite 500, Mississauga, Ontario L5N0C9, Canada. It is wholly-owned by Bureau Veritas International SAS. Maxxam is the Canadian leader in analytical services for the environmental, oil and gas and agri-food industries. In 2017, it contributed external revenue of CAD 250.6 million (€171.1 million).

Bureau Veritas Nederland Holding B.V. (Netherlands)

Bureau Veritas Nederland Holding B.V. is a Dutch company incorporated in 2009 whose registered office is at PO Box 2705, 3000 CS Rotterdam, Netherlands. It is wholly-owned by Bureau Veritas International SAS and is a holding company that owns holdings in the Netherlands and other countries.

Shandong Chengxin Engineering Construction & Consulting Co. Ltd. (China)

Shandong Chengxin Engineering Construction & Consulting Co., Ltd. is a Chinese company incorporated in 1996 whose registered office is located at F22&23, Building A2-1, Hanyujingu, High-tech Development Zone Jinan, Shandong, China. The company is 70%-owned by Bureau Veritas Investment (Shanghai) Co. Ltd. and 30%-owned by individuals. It provides technical supervision and assistance for construction projects. In 2017, it recorded external revenue of CNY 533.7 million (€70.2 million).

Bureau Veritas do Brasil Sociedade Classificadora e Certificadora Ltda (Brazil)

Bureau Veritas do Brazil Sociedade Classificadora e Certificadora Ltda is a Brazilian company whose registered office is located at Rua Joaquim Palhares 40-7ᵉ 8 Andares Cidade Nova, Rio de Janeiro 20260080, Brazil. The company is 99.98%-owned by Bureau Veritas SA. It mainly provides inspection, asset integrity management and technical verification services for Industry business and Marine & Offshore clients. In 2017, the company recorded external revenue of BRL 311.1 million (€86.3 million).

6.4 Intra-group contracts

Under the Group's cash pooling arrangement, subsidiaries transfer any surplus funds to a central account. If needed, they can take out loans from the Company. Subsidiaries may not invest surplus funds with or borrow funds from any other entity without the Company's consent.

Intra-group loans are governed by cash management agreements between the Company and each French and non-French subsidiary.

6.5 Industrial franchise, brand royalties and expertise licensing contracts and central services

The Group has signed central services and industrial franchise or brand licensing contracts with most of its subsidiaries, generally in the form of framework contracts.

The aim of these contracts is to make Bureau Veritas SA's industrial property available to Group entities and provide technical and administrative services to subsidiaries.

The use of industrial property and technical services rendered is paid in the form of royalties calculated based on a percentage of third-party revenues, which may vary depending on the activities carried out by the subsidiaries.

The use of central services is paid based on the cost of the services rendered plus an arm's length profit margin.

6.6 Share capital and voting rights

6.6.1 Share capital

Change in share capital during the year ended December 31, 2017

At December 31, 2016, the share capital amounted to €53,040,000 and was divided into 442,000,000 shares with a par value of €0.12 each. The increase in share capital resulting from the exercise of stock subscription options in 2016 was noted by the Board of Directors at its meeting on February 23, 2017.

At December 31, 2016, the total number of theoretical voting rights amounted to 632,201,432 and the number of exercisable voting rights totaled 626,930,399, the difference being due to the voting rights attached to treasury shares.

At December 31, 2017, the share capital amounted to €53,040,000 and was divided into 442,000,000 shares with a par value of €0.12 each.

The following share capital transactions took place during the year:

- 330,000 shares were issued following the exercise of stock subscription options; and
- 330,000 treasury shares were canceled.

The increase in share capital resulting from the exercise of stock subscription options in 2017 was noted by the Board of Directors at its meeting on February 28, 2018.

At December 31, 2017, the total number of theoretical voting rights amounted to 630,017,912 and the number of exercisable voting rights totaled 624,235,649.

6.6.2 Securities not representing capital

At December 31, 2017, the Company had not issued any securities that do not represent capital.

6.6.3 Acquisition of treasury shares

The following paragraphs cite the information to be provided in accordance with article L. 225-211 of the French Commercial Code and describe, in accordance with the provisions of articles 241-1 *et seq.* of the general regulation of the French financial markets authority (*Autorité des marchés financiers* – AMF), the share buyback program submitted for approval to the Annual Shareholders' Meeting of May 15, 2018.

Current share buyback program adopted at the Annual Shareholders' Meeting held on May 16, 2017

In accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code and with Regulation (EU) No. 596/2014 of the European Parliament and of the Council dated April 16, 2014, as well as any other provisions that may apply, the eighteenth resolution of the Annual Shareholders' Meeting held on May 16, 2017 authorized the Board of Directors (with the option to delegate further) to purchase or have the Company purchase a total number of the Company's ordinary shares not exceeding 10% of the share capital of the Company at any time, in order to:

- ensure the liquidity of and make a market in Bureau Veritas shares via an investment services provider acting independently and on behalf of the Company without being influenced by the Company, under a liquidity agreement that complies with a Code of Ethics recognized by the AMF, or any other applicable law or regulation; and/or
- implement any Company stock option plan under the provisions of articles L. 225-177 *et seq.* of the French Commercial Code or any similar plan, any share grant or transfer to employees as part of a profit-share plan or any company or group savings plan (or similar scheme) in accordance with the provisions of the law and particularly articles L. 3332-1 *et seq.* of the French Labor Code (*Code de travail*), and any free share grants under the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code, and to carry out any hedging to cover these transactions under applicable legal and regulatory conditions; and/or
- remit shares in the event of the issue or the exercise of the rights attached to securities giving immediate and/or future access to the share capital of the Company by repayment, conversion, exchange, presentation of a warrant or in any other manner; and/or
- hold and subsequently remit shares (for exchange, payment or other) as part of acquisitions, mergers, spin-offs or contributions, it being understood that in such a case, the bought back shares may not at any time exceed 5% of the share capital of the Company, this percentage being applied to a share capital figure adjusted to reflect any transactions that take place after this Shareholders' Meeting that affect total capital; and/or
- cancel all or part of the Company's ordinary shares thus acquired, and/or

- implement any market practice that is or may be allowed by the market authorities; and/or
- fulfill any other purpose that is or may be authorized by the laws or the regulations in force.

It should be noted that (i) the 10% limit applies to the amount of the Company's share capital that may be adjusted to take into account transactions subsequent to the Shareholders' Meeting of May 16, 2017 that may affect the share capital, and (ii) when shares are bought back to increase liquidity, in accordance with the conditions specified by the General Regulations of the *AMF*, the number of shares taken into account in the aforementioned calculation of the 10% limit shall be equal to the number of shares bought less the number resold within the time period of authorization.

The maximum unit purchase price is set at €40 (excluding transaction costs) and the maximum amount allocated for the share buyback program is set at €1,768,000,000 (excluding transaction costs).

This authorization, granted for a period of 18 months as from the Shareholders' Meeting of May 16, 2017, rendered ineffective from the same date the unused portion of the authorization granted to the Board of Directors by the Shareholders' Meeting of May 17, 2016 under the terms of its twelfth resolution.

Under this share buyback program and the program authorized by the Shareholders' Meeting of May 17, 2016, the Company carried out a number of share transfers and buybacks in 2017, as described below.

Transfer and buyback of treasury shares during 2017

During 2017, the Company maintained the liquidity agreement entrusted to Exane BNP Paribas on February 8, 2008, under which 3,381,050 shares were purchased at an average price of €20.28 and 3,469,956 shares were sold at an average price of €20.27. At December 31, 2017, there were 95,488 shares held under the liquidity agreement and the available balance stood at €6,587,602.

In addition, the Company bought back a total of 2,400,000 shares between January 1, 2017 and December 31, 2017 at a weighted average price of €20.02. The share buybacks resulted in transaction fees of €539,300.39. All the shares bought back were allocated to cover performance share and share purchase option plans.

In 2017, the Company remitted 1,423,802 shares to beneficiaries of the performance share and stock purchase option plans. These shares were granted out of the Company's treasury shares.

At December 31, 2017, the Company held a total of 5,790,282 treasury shares representing approximately 1.3% of its share capital, with a carrying amount of €113,298,369 and a par value of €694,833.84.

Of these 5,790,282 shares held by the Company at December 31, 2017, 103,507 shares are allocated to the liquidity agreement, 5,466,563 shares are allocated to stock option plans or other share awards and the rest, i.e., 220,212 shares, are earmarked for cancellation.

New share buyback program to be submitted to the Annual Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2017

A new share buyback program will be submitted for approval to the next Annual Shareholders' Meeting of May 15, 2018.

In accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code, Regulation (EU) No. 596/2014 of the European Parliament and of the Council dated April 16, 2014, as well as any other provisions that may apply, the objectives of this program, subject to approval by the Annual Shareholders' Meeting to be held on May 15, 2018, are to:

- ensure the liquidity of and make a market in Bureau Veritas shares via an investment services provider acting independently and on behalf of the Company without being influenced by the Company, under a liquidity agreement that complies with a Code of Ethics recognized by the *AMF*, or any other applicable law or regulation; and/or
- implement any Company stock option plan under the provisions of articles L. 225-177 *et seq.* of the French Commercial Code or any similar plan, any share grant or transfer to employees as part of a profit-share plan or any company or group savings plan (or similar scheme) in accordance with the provisions of the law and particularly articles L. 3332-1 *et seq.* of the French Labor Code or any similar plan, any free share grants under the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code or any similar plan, and to carry out any hedging to cover these transactions under applicable legal and regulatory conditions; and/or
- remit shares in the event of the issue or the exercise of the rights attached to securities giving immediate and/or future access to the share capital of the Company by repayment, conversion, exchange, presentation of a warrant or in any other manner; and/or
- hold and subsequently remit shares (for exchange, payment or other) as part of acquisitions, mergers, spin-offs or contributions, it being understood that in such a case, the bought back shares may not at any time exceed 5% of the share capital of the Company, this percentage being applied to a share capital figure adjusted to reflect any transactions that take place after this Shareholders' Meeting that affect total capital; and/or
- cancel all or part of the Company's ordinary shares thus acquired, and/or
- implement any market practice that is or may be allowed by the market authorities; and/or
- carry out transactions for any other purpose that is or may be authorized by the laws or the regulations in force. In such a case, the Company shall inform the shareholders by way of a press release or any other form of communication required by the regulations in force.

Purchases of the Company's shares may relate to a number of shares, such that:

- the number of shares bought back by the Company during the share buyback program would not exceed 10% of the shares constituting the share capital of the Company, this percentage being applied to a share capital figure adjusted to reflect transactions following the Annual Shareholders' Meeting to be held on May 15, 2018, i.e. for information purposes, a number of shares not exceeding 44,200,000 based on the number of shares constituting the Company's share capital at December 31, 2017; and
- the number of shares that the Company may hold at any given time would not exceed 10% of the shares constituting the share capital of the Company at the planned date.

These transactions may be carried out during periods determined by the Board of Directors in accordance with applicable legal and regulatory conditions, it being specified that the Board of Directors may not, without the prior authorization of the Shareholders' Meeting, implement this share buyback program in the event that a third party makes a public offer to purchase the shares in the Company and until the expiration of such offer.

The maximum unit purchase price under this share buyback program would be €45 (excluding transaction costs), subject to adjustments within the scope of changes to the share capital, in particular by incorporation of reserves or awards of free shares and/or splitting or reverse splitting of shares, amortization of share capital or any other operation affecting equity, in order to take the effect of such transaction into account on the unit value.

The maximum amount allocated to implement the share buyback program would amount to €1,989,000,000 (excluding transaction costs).

This new authorization would be granted for a period of 18 months as from the decision of the Shareholders' Meeting convened on May 15, 2018, i.e. until November 14, 2019, and would render ineffective the unused portion of the authorization granted by the Shareholders' Meeting on May 16, 2017 under the terms of its eighteenth resolution.

6.6.4 Other securities giving access to the share capital of the Company

The Company issued stock options, the main terms and conditions of which are set out in section 3.3 – Interests of Executive Corporate Officers, Directors and certain employees of this Registration document.

The Company also granted performance shares, the main terms and conditions of which are set out in section 3.3 – Interests of Executive Corporate Officers, Directors and certain employees of this Registration document, as well as in Note 23 – Share-based payment to the 2017 consolidated financial statements in section 5.1 of this Registration document.

6.6.5 Conditions governing vesting rights or any obligations attached to capital subscribed but not fully paid up

None.

6.6.6 Pledges

To the Company's knowledge, at December 31, 2017, 1,239,500 shares in the Company, held by individuals, were pledged (i.e. around 0.28% of the number of shares comprising its share capital).

As indicated in Note 33 – Off-balance sheet commitments and pledges to the 2017 consolidated financial statements in section 5.1 of this Registration document, the Group had pledged current and non-current financial assets for a carrying amount of €5.0 million at December 31, 2017.

6.6.7 Changes in the share capital

The table below shows changes in the Company's share capital during the past five years.

	2017	2016	2015	2014	2013
Capital at beginning of year					
In euros	**53,040,000**	**53,040,000**	**53,163,924**	**53,045,040**	**13,259,836**
In shares	**442,000,000**	**442,000,000**	**443,032,700**	**442,042,000**	**441,994,544**[a]
Number of canceled shares during the year	330,000	149,600	1,547,500	-	766,924
Number of shares issued during the year	330,000	149,600	514,800	990,700	814,380[a]
By free allocation of shares	-	-	-	-	-
By exercise of stock subscription options	330,000	149,600	514,800	990,700	814,380[a]
Capital at end of year					
In euros	**53,040,000**	**53,040,000**	**53,040,000**	**53,163,924**	**53,045,040**[b]
In shares	**442,000,000**	**442,000,000**	**442,000,000**	**443,032,700**	**442,042,000**

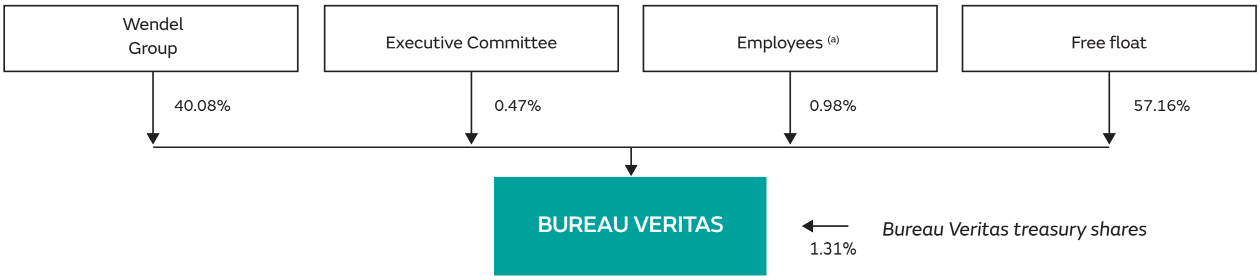
(a) *It should be noted that the above data were restated to take account of the 4-to-1 split in the par value of the Company's shares that took place on June 21, 2013.*

(b) *Before the 4-to-1 share split, the share capital was increased by €39.8 million by the incorporation of sums deducted from the issue premium account. Share capital as recorded by the Board of Directors at its meeting on March 5, 2014 (excluding options exercised after January 1, 2014).*

6.7 Ownership structure

6.7.1 Group ownership structure

Simplified ownership structure at December 31, 2017



[a] *including direct holdings of registered shares*

Major direct and indirect shareholders

With more than €11 billion in managed assets, Wendel is one of Europe's leading listed investment firms.

Wendel invests in market-leading companies in Europe, North America and Africa. It is an active industrial shareholder in Bureau Veritas, Saint-Gobain, Cromology, Stahl, IHS, Constantia Flexibles and Allied Universal. It implements long-term development strategies aimed at boosting the companies' growth and profitability in order to enhance their leading market positions. Through Oranje-Nassau Développement, which provides investment opportunities for growth, diversification or innovation, Wendel also has holdings in Mecatherm in France, Nippon Oil Pump in Japan, Saham group, Tsebo and PlaYce in Africa and CSP Technologies in the United States.

Wendel SE is listed on Euronext Paris. Its Registration document can be viewed on the AMF website (www.amf-france.org) and downloaded from Wendel's website (www.wendelgroup.com).

At December 31, 2017, Wendel SE was 37.6%-owned by Wendel-Participations, a company grouping together the interests of more than 1,000 members of the Wendel family.

The Wendel Group is the major shareholder of Bureau Veritas, holding 40.08% of its share capital and 56.24% of its theoretical voting rights at December 31, 2017.

In accordance with article 28 of the Company's by-laws, a double voting right was granted in respect of shares held by Wendel registered in nominative form for more than two years.

Breakdown of share capital and exercisable voting rights

Shareholders	At February 28, 2018 % of shares held	At February 28, 2018 % of voting rights	At December 31, 2017 % of shares held	At December 31, 2017 % of voting rights	At December 31, 2016 % of shares held	At December 31, 2016 % of voting rights	At December 31, 2015 % of shares held	At December 31, 2015 % of voting rights
Wendel Group[(a)]	40.08%	56.84%	40.08%	56.76%	40.71%	56.96%	40.08%	56.50%
Free float[(b)]	57.69%	42.17%	57.84%	42.24%	57.05%	41.64%	57.79%	42.00%
FCP BV Next	0.30%	0.42%	0.30%	0.43%	0.33%	0.47%	0.36%	0.50%
Executive officers[(c)]	0.47%	0.57%	0.47%	0.57%	0.71%	0.93%	0.77%	1.00%
Treasury shares	1.46%	-	1.31%	-	1.19%	-	1.00%	-
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(a) There is no material difference between the theoretical voting rights (including treasury shares) and the exercisable voting rights (excluding treasury shares). The Wendel Group held 56.24% of the theoretical voting rights at December 31, 2017.

(b) Calculated by deduction.

(c) Members of the Executive Committee of Bureau Veritas at December 31, 2017.

Share ownership thresholds

To the best of the Company's knowledge, aside from the major shareholder Wendel, one other shareholder owned more than 5% of the Company's capital or voting rights at March 23, 2018.

By a letter received on December 6, 2017, Harris Associates LP (111 S. Wacker Drive, Suite 4600, Chicago, IL 60606, United States), acting on behalf of the investment funds and clients whose assets it manages, declared that it had gone below the 6% voting rights threshold of Bureau Veritas and that it held, on behalf of the above-mentioned investment funds and clients, 26,441,946 shares of Bureau Veritas representing 5.98% of the Company's capital and 5.93% of its voting rights. Harris Associates LP had declared by a letter received on February 13, 2017 that its interest had exceeded the 7% threshold of Bureau Veritas' voting rights. This had resulted from the acquisition of Bureau Veritas shares by way of market purchases.

Moreover, in accordance with the Company's by-laws, during the 2017 financial year:

- two institutional investors informed the Company that their interest had exceeded the 4% threshold of the share capital of the Company; and
- an institutional investor informed the Company that its interest had exceeded the 3% threshold of the share capital of the Company. By a letter received on February 21, 2018, this investor informed the Company that its interest had gone below the 3% threshold of the share capital of the Company.

Shareholder voting rights

Pursuant to the Company's by-laws as amended by the Shareholders' Meeting of June 18, 2007 and which came into force on October 23, 2007, double-voting rights are granted to all fully paid-up shares that are held in registered form for a period of at least two years.

This double-voting right is deemed to be terminated for any share converted into a bearer share or subject to a transfer of ownership.

Nevertheless, the double-voting right will not be lost and the holding period will be deemed to have continued, in the event of transfer from registered to bearer form as a result of inheritance, sharing of assets jointly held between spouses, or *in vivo* donations from a spouse or from immediate family members.

At December 31, 2017, 188,017,912 shares held double-voting rights out of the 442,000,000 shares comprising the share capital.

Control of the Company

At December 31, 2017, the Company was controlled indirectly by Wendel, which held 40.08% of the share capital and 56.24% of the theoretical voting rights.

The structure and organization of the Board of Directors and its specialized committees, the number of independent directors, the fact that the roles of Chairman and of Chief Executive Officer are separate, and compliance with the Internal Regulations and with the AFEP-MEDEF Code help manage the presence of a majority shareholder. The Board of Directors of Bureau Veritas ensures in particular that at least one-third of its members are independent. Independent members of the Board of Directors are selected from persons who are independent and unconnected to the Company within the meaning of the Board of Directors' Internal Regulations.

At December 31, 2017, the Chairman of the Board of Directors as well as five out of the Board's 12 members were considered independent based on the criteria of the AFEP-MEDEF Code: Aldo Cardoso, Ana Giros Calpe, Ieda Gomes Yell, Pierre Hessler, Pascal Lebard and Siân Herbert-Jones. The Audit & Risk Committee has three of the six independent members of the Board, one of whom is the committee's Chairman. Four out of the five members of the Nomination & Compensation Committee are independent. Members of the Board of Directors as well as their committee memberships are presented in section 3.1.1 – Board of Directors of this Registration document.

6.7.2 Agreements that may lead to a change in control

None.

6.8 Stock market information

6.8.1 The Bureau Veritas share

Listing market	Euronext Paris, compartment A, eligible for SRD
Initial public offering (IPO)	October 23, 2007 at €37.75 per share (or €9.44 adjusted for the 4-for-1 share split on June 21, 2013)
Indices	CAC Next 20 SBF 120 CAC Large 60 EURO STOXX, EURO STOXX Industrial Goods & Services STOXX Europe 600 STOXX Europe 600 Industrial Goods and Services Index MSCI Standard
Codes	ISIN: FR 0006174348 Ticker symbol: BVI Reuters: BVI. PA Bloomberg: BVI-FP
Number of outstanding shares at December 31, 2017	442,000,000
Number of exercisable voting rights at December 31, 2017	624,235,649
Stock market capitalization at December 31, 2017	€10,073 million

6.8.2 Dividend policy

In recent years, the Group has paid an annual dividend representing more than 50% of its adjusted attributable net profit for the year.

This point of reference does not, however, represent any commitment on the Group's part, as future dividends will depend on its results and financial position.

	In respect of		
(in €)	**2017[(a)]**	**2016**	**2015**
Dividend per share	**0.56**	**0.55**	**0.51**

(a) To be proposed to the Shareholders' Meeting of May 15, 2018

6.8.3 Share trends

At March 21, 2018, the Bureau Veritas share price was €21.73, representing a 16.7% increase compared to January 2, 2017 (€18.62).

The Bureau Veritas share price has more than doubled since its IPO on October 24, 2007 (€9.44).

On average, 700,000 shares were traded on Euronext Paris each day in 2017, representing an average daily trading value of close to €14 million.

SHARE PRICE

Monthly trading in 2017

Period	Trading volume	Value (*€ millions*)	Adjusted highs and lows (*in euros*)	
			High	Low
January 2017	17,037,726	312.29	19.075	17.540
February 2017	15,559,272	285.83	18.950	17.575
March 2017	17,259,270	316.63	19.845	17.650
April 2017	14,088,817	286.58	21.705	19.620
May 2017	17,282,698	367.22	21.805	20.405
June 2017	16,012,313	326.33	21.120	19.355
July 2017	14,859,808	292.61	20.845	19.040
August 2017	11,934,796	235.56	20.120	19.150
September 2017	13,356,256	279.33	21.835	19.850
October 2017	14,133,468	317.91	23.250	21.820
November 2017	13,478,916	301.92	23.200	21.830
December 2017	9,790,003	222.28	22.995	22.235

Source: Euronext.

6.8.4 Shareholder information

Bureau Veritas is committed to making regular disclosures on its business activities, strategy and outlook to its individual and institutional shareholders and, more broadly, to the financial community, in line with the profession's best practices.

During 2017, the management of Bureau Veritas and the Investor Relations team met with nearly 400 analysts and investors during roadshows, meetings and conferences in the main international financial markets, particularly in Europe and the United States.

Bureau Veritas also takes part in Socially Responsible Investing (SRI) events. These encounters with private equity funds and SRI analysts contribute to the Group's progress in terms of CSR (see Chapter 2 – Corporate Social Responsibility).

2018 Financial calendar

April 26, 2018

First-quarter 2018 information

May 15, 2018

Annual Shareholders' Meeting

July 26, 2018

First-half 2018 results

October 25, 2018

Third-quarter 2018 information

Contacts

Shareholder information

0 800 434 241 Service & appel gratuits

Analyst/Investor information

Laurent Brunelle, Head of Investor Relations
laurent.brunelle@bureauveritas.com

Florent Chaix, Investor Relations Manager
florent.chaix@bureauveritas.com

Bureau Veritas

Address: Immeuble Newtime – 40/52, boulevard du Parc

92200 Neuilly-sur-Seine, France

Tel: +33 (0) 1 55 24 70 00

6.9 Documents on display

All Group publications (press releases, annual reports, annual and half-year presentations, etc.) and regulatory information are available upon request or at: http://finance.bureauveritas.com. Users may sign up for email news alerts and download all Group publications since its IPO, the list of analysts who cover the Bureau Veritas share and real-time share prices.

In accordance with Commission Regulation (EC) No. 809/2004 of April 29, 2004, the following documents may be consulted at Bureau Veritas' registered office or obtained on request by email:

- the by-laws of Bureau Veritas SA;
- all reports, letters and other documents, historical financial information, assessments and declarations made by external consultants, a part of which is included or mentioned in this Registration document;
- the historical financial information of Bureau Veritas and its subsidiaries for each of the two financial years preceding the publication of this Registration document.

Moreover, in accordance with *AMF* recommendation No. 2012-05 (amended October 24, 2017), the Company's updated by-laws may also be viewed at the website: http://finance.bureauveritas.com.

6.10 Related-party transactions

6.10.1 Principal related-party transactions

A detailed description of the intra-group contracts and other related-party transactions is set out in section 6.4 – Intra-group contracts in this chapter and in Note 35 – Related-party transactions to the 2017 consolidated financial statements, presented in section 5.1 of this Registration document.

6.10.2 Statutory Auditors' special report on related-party agreements and commitments

Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2017

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Bureau Veritas, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, and the reasons for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted for the approval of the Shareholders' Meeting

We were not informed of any agreement or commitment entered into during the year to be submitted for approval at the Shareholders' Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements approved in previous years

We were informed of the following agreement, which was not implemented during the year, already approved by the Shareholders' Meeting of May 16, 2017, referred to in the Statutory Auditors' special report dated March 15, 2017.

Person concerned: Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas SA

Nature and purpose

Special termination benefit payable in favor of Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas SA.

The Board of Directors, at its meeting of March 8, 2017, authorized a special termination benefit in favor of Didier Michaud-Daniel.

Terms and conditions:

The benefit may not exceed a maximum amount equal to the fixed compensation received by Didier Michaud-Daniel in the twelve (12) calendar months preceding the termination of his term of office, to which the most recent variable compensation payment will be added (the "Target Amount"). In accordance with the provisions of Article L.225-42-1 of the French Commercial Code, the Board of Directors has made payment of the benefit conditional upon the fulfillment of a performance condition linked to your Company's target margin (the "Margin") in each of the two financial years preceding Didier Michaud-Daniel's departure. The Margin is calculated as the ratio of the Company's adjusted operating profit to revenue, before tax. In respect of each of the two financial years pertaining to the performance condition, Didier Michaud-Daniel is entitled to a benefit of a maximum of half the Target Amount, calculated as follows:

- if the Margin for the financial year is less than or equal to 15%, no benefit will be paid in respect of that year;
- if the Margin for the financial year is greater than or equal to 16%, a benefit equal to half the Target Amount will be awarded in respect of that year;
- if the Margin for the financial year is between 15% and 16%, the benefit in respect of that year will be equal to a percentage (between 0% and 100%, calculated by linear interpolation) applied to half of the Target Amount.

The total benefit awarded will be equal to the sum of the benefits calculated in respect of each of the two financial years preceding Didier Michaud-Daniel's departure.

The Board of Directors must recognize that the performance condition has been met before any benefit is awarded.

At its March 8, 2017 meeting, the Board of Directors decided that the initial reasons behind its decision of February 22, 2012 to award the specific termination benefit to Didier Michaud-Daniel, effective as from March 1, 2012, i.e., retaining and offering incentives to the Chief Executive Officer in line with the Company's targets and interests, as well as market practice, remained valid.

Neuilly-sur-Seine and Paris-La Défense, March 16, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young Audit
Christine Bouvry	Nour-Eddine Zanouda

6.11 Articles of incorporation and by-laws

This section contains a summary of the main provisions of the by-laws. A copy of the by-laws may be obtained from the Company's website.

Corporate purpose (article 3 of the by-laws)

The Company has the following corporate purpose, which it may carry out in any country:

- classification, inspection, expert appraisal, as well as supervision of the construction and repair of vessels and aircrafts of all types and nationalities;
- inspections, audits, assessments, diagnoses, expert appraisals, measurements, analyses relative to the function, compliance, quality, hygiene, safety, environmental protection, production, performance and value of all materials, products, goods, equipment, structures, facilities, factories or organizations;
- all services, studies, methods, programs, technical assistance, consulting in the fields of industry, of sea, land or air transport, services and national or international trade; and
- inspection of real estate property and civil engineering structures.

Except in the case of incompatibility with prevailing legislation, the Company may carry out all studies and research and accept expert appraisal or arbitration commissions in the fields related to its business.

The Company can publish any document, notably sea and air regulations and registers, and can engage in any training activities related to the aforementioned activities.

More generally, the Company carries out any activity that may, directly or indirectly, in whole or in part, relate to its corporate purpose or further achievement of that purpose. In particular, this includes any industrial, commercial or financial transactions, any transaction related to real or movable property; the creation of subsidiaries, and acquisitions of financial, technical or other interests in companies, associations or organizations whose purpose is related, in whole or in part, to the Company's corporate purpose.

Finally, the Company can carry out all transactions with a view to the direct or indirect use of the assets and rights owned by it, including the investment of corporate funds.

Administration and general management (articles 14 to 21 of the by-laws)

A description of the functioning of the Company's Board of Directors is provided in Chapter 3 – Corporate Governance of this Registration document.

Rights preferences and restrictions attached to shares (articles 8, 9, 11.1, 12 and 13 of the by-laws)

Payment for shares (article 8 of the by-laws)

Shares subscribed in cash are issued and paid up according to the terms and conditions provided for by law.

Form of shares (article 9 of the by-laws)

The shares of the Company are registered or bearer shares, according to the shareholder's preference, save and except when legislative or regulatory provisions require, in certain cases, the registered form.

The shares of the Company shall be recorded in a register, in compliance with the terms and conditions provided for by law.

Transfer and transmission of shares (article 11.1 of the by-laws)

Shares are freely negotiable, unless legislative or regulatory provisions provide otherwise. Shares are transferred via account-to-account transfer in accordance with the terms and conditions provided for by law.

Shareholders' rights and obligations (article 12 of the by-laws)

Each share grants the right, via ownership of corporate capital and profit sharing, to a share proportional to the portion of capital that it represents.

In addition, it grants the right to vote in and be represented at Shareholders' Meetings, in accordance with legal and statutory requirements.

Shareholders are liable for corporate liability only up to the limit of their contributions.

The rights and obligations follow the share regardless of who holds the share.

Ownership of a share automatically implies compliance with the by-laws and decisions made at the Shareholders' Meetings.

Whenever ownership of several shares is required to exercise a right, in the case of exchange, consolidation or allotment of shares, or as a result of a capital increase or reduction, merger or other corporate transaction, the owners of single shares, or a number of shares falling below the required minimum, may not exercise these rights unless they personally group together, or, where appropriate, purchase or sell the shares as necessary.

Indivisibility of shares – bare ownership – usufruct (article 13 of the by-laws)

The shares are indivisible with regard to the Company.

Joint owners of joint shares are required to be represented before the Company by one chosen from amongst them or by a sole authorized agent. Should the joint owners fail to agree on the choice of that sole agent, the agent will be assigned by the presiding judge of the French Commercial Court (*Tribunal de commerce*), ruling in interlocutory proceedings at the request of the most diligent joint owner.

The voting right attached to the share belongs to the beneficial owner at Ordinary Shareholders' Meetings and to the bare owner at Extraordinary Shareholders' Meetings.

Modification of shareholders' rights

Changes in shareholders' rights are subject to legal requirements, as the by-laws do not provide specific guidelines.

Shareholders' Meetings (articles 23 to 30 of the by-laws)

The joint decisions of the shareholders are taken at the Shareholders' Meetings, which may be qualified as ordinary, extraordinary or special according to the nature of the decisions for which they are convened.

Every Shareholders' Meeting duly held represents all shareholders.

The deliberations of Shareholders' Meetings are binding on all shareholders, even those absent, dissenting or under disability.

Convening of Shareholders' Meetings (article 24 of the by-laws)

Shareholders' Meetings shall be convened within the terms and conditions set forth by law.

Shareholders' Meetings shall be held at the registered office or at any other location (including locations outside the department of the registered office) indicated in the notice of meeting.

Agenda (article 25 of the by-laws)

The agenda for the Shareholders' Meeting shall be drawn up by the author of the notice of meeting.

The Shareholders' Meeting cannot deliberate on an issue not included on the agenda, which cannot be amended in a second notice of meeting. The meeting can, however, in all circumstances, remove one or more members of the Board of Directors and proceed to replace them.

Access to the meetings (article 26 of the by-laws)

Any shareholder, regardless of the number of shares held, may attend Shareholders' Meetings in person or via proxy, within the terms and conditions provided for by law.

The right to attend Shareholders' Meetings is subject to shares having been registered two (2) business days prior to the Shareholders' Meeting at midnight (Paris time) in either the registered shares accounts kept by the Company or the bearer accounts held by the financial intermediary. In the case of shares in bearer form, registration of the shares shall be recognized by a participation certificate issued by the financial intermediary.

Shareholders may be represented by any legal entity or individual of their choice in accordance with the conditions provided for by the legal provisions and regulations in force.

Any shareholder who wishes to vote by post or proxy must, at least three (3) days prior to the date of the Shareholders' Meeting, submit a proxy, a vote-by-post form, or a single document in lieu thereof to the registered office or any other location indicated on the notice of meeting. The Board of Directors may, for any Shareholders' Meeting, reduce this period by a general decision for all shareholders.

Furthermore, shareholders who do not wish to participate in the Shareholders' Meeting in person may also notify the appointment or removal of a proxy by electronic means in accordance with the provisions in force and the conditions set out on the notice of meeting.

In addition, by decision of the Board of Directors mentioned in the notice of meeting, shareholders may, within the terms and conditions set by the laws and regulations, vote by mail or electronically.

If used, the electronic signature may take the form of the process detailed in the first sentence of the second paragraph of article 1316-4 of the French Civil Code (*Code civil*).

If the Board of Directors decides as such at the time the meeting is convened, shareholders may also attend the Shareholders' Meeting via videoconferencing or other telecommunication systems through which their identity can be verified, in which case they shall be considered present for calculation of the *quorum* and majority.

Attendance sheet, Board, minutes (article 27 of the by-laws)

An attendance sheet containing the information stipulated by law shall be kept at each meeting.

This attendance sheet, duly signed by the attending shareholders and their proxies and to which shall be appended the powers of attorney awarded to each proxy and, where applicable, the vote-by-post forms, shall be certified accurate by the officers of the meeting.

The meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman of the Board of Directors or by a member of the Board of Directors specially appointed for this purpose.

If the meeting is convened by the Statutory Auditor or Auditors, by a legal proxy or by liquidators, the meeting shall be chaired by the author of the notice of meeting.

In all cases, if the person authorized or appointed to chair the meeting is absent, the Shareholders' Meeting shall elect its Chairman.

The duty of scrutineer shall be performed by the two shareholders, attending and accepting the duty in their own name or represented by their proxies, with the largest number of shares.

The officers' Board thus formed shall appoint a secretary, who may not be a shareholder.

The members of the officers' Board have the duty of checking, certifying and signing the attendance sheet, ensuring that the discussions proceed properly, settling incidents during the meeting, checking the votes cast and ensuring they are in order, and ensuring that the minutes are drawn up and signing them.

Minutes are drawn up and copies or extracts of the proceedings are issued and certified in accordance with the law.

Quorum, voting, number of votes (article 28 of the by-laws)

At Ordinary and Extraordinary Meetings, the *quorum* shall be calculated on the basis of all the shares making up the share capital, minus any shares that have had their voting rights suspended by virtue of legal provisions.

When voting by mail, only forms received by the Company before the meeting is held, within the terms and conditions set by the law and the by-laws, shall be taken into consideration for calculating the *quorum*.

At Ordinary and Extraordinary Meetings, shareholders are entitled to the same number of votes as the number of shares they hold, with no limitation.

However, a double-voting right as conferred on other shares, for the proportion of the capital they represent, is assigned to all fully paid-up shares, registered for at least two years in the name of the same shareholder.

Moreover, in the event the capital is increased via incorporation of reserves, profits or share premiums, the double-voting right shall be conferred, upon issuance, on registered shares attributed free of charge to shareholders whose former shares were entitled to that right.

The double-voting right automatically ceases for any share converted to a bearer share or subject to a transfer of ownership. Nevertheless, the double-voting right will not be lost, and the holding period will be deemed to have continued, in the event of transfer from registered to bearer form as a result of inheritance by distribution of marital community property or inter vivos gifts in favor of a spouse or relatives entitled to inherit. The same holds true where shares with double-voting rights are transferred as a result of a merger or division of a corporate shareholder. The merger or spin off of the Company has no effect on the double-voting right which may be exercised within the beneficiary company or companies, if the right is established in their by-laws.

Voting takes place and votes are cast, depending on what the meeting officers decide, by a show of hands, electronically or by any means of telecommunication enabling the shareholders to be identified under the regulatory conditions in force.

Ordinary Shareholders' Meeting (article 29 of the by-laws)

The Ordinary Shareholders' Meeting is called upon to take any decisions that do not amend the Company by-laws.

It shall be held at least once a year, within the applicable legal and regulatory time periods, to deliberate on the parent company financial statements and, where applicable, on the consolidated financial statements for the preceding accounting period.

The Ordinary Shareholders' Meeting, deliberating in accordance with the terms pertaining to *quorum* and majority as set forth in the governing provisions, exercises the powers granted it by law.

Extraordinary Shareholders' Meeting (article 30 of the by-laws)

Only the Extraordinary Shareholders' Meeting is authorized to amend the Company by-laws in all their provisions. It may not, however, increase the commitments of shareholders, excepting transactions resulting from an exchange or consolidation of shares, duly decided and performed.

The Extraordinary Shareholders' Meeting, deliberating in accordance with the terms pertaining to *quorum* and majority set forth in the provisions that govern it, exercises the powers granted it by law.

Shareholders' right to information (article 31 of the by-laws)

All shareholders have the right to access the documents they require to be able to give their opinion with full knowledge of the facts and to make an informed judgment on the management and operation of the Company.

The nature of these documents and the conditions for sending them or making them available are determined by law.

Provisions of the by-laws which have an impact in the event of a change in control

No provision in the by-laws could, to the knowledge of the Company, have the effect of delaying, postponing or preventing a change in control of the Company.

Shareholder identification and thresholds (articles 10 and 11.2 of the by-laws)

Shareholder identification (article 10 of the by-laws)

The Company shall remain informed of the make-up of its shares' ownership, in accordance with the terms and conditions provided for by law.

As such, the Company can make use of all legal provisions available for identifying the holders of shares that confer immediate or future voting rights in its Shareholders' Meetings.

Thus, the Company reserves the right, at any time and in accordance with the legal and regulatory terms and conditions in force and at its own cost, to request from the central depository responsible for keeping an account of the issuance of its securities, information concerning the holders of securities conferring the immediate or future right to vote in the Company's Shareholders' Meetings, as well as the number of securities held by each shareholder and, where applicable, any restrictions that can be imposed on such securities.

Having followed the procedure described in the preceding paragraph and in view of the list provided by the central depository, the Company can also request, either through the central depository or directly, that individuals on the list whom the Company believes may be registered as agents for third parties provide information about the owners of the securities referred to in the preceding paragraph. These individuals are required, when acting as intermediaries, to disclose the identity of the holders of these securities.

If the securities are in registered form, the intermediary registered in accordance with the terms and conditions set forth by law is required to disclose the identity of the holders of these securities as well as the number of securities held by each individual, upon request from the Company or its agent, which may be presented at any time.

For as long as the Company believes that certain shareholders whose identity has been disclosed are holding shares on account of third parties, the Company is entitled to ask those shareholders to disclose the identity of the holders of the securities in question, as well as the number of shares held by each.

At the close of identification procedures, and without prejudice to legal requirements relative to the disclosure of significant equity ownership, the Company can ask that any legal entity holding its shares and owning an interest in excess of 2.5% of the capital or voting rights disclose to the Company the identities of individuals who directly or indirectly own more than one third of that legal entity's capital or voting rights.

In the event of non-compliance with the aforementioned requirements, the shares or securities conferring immediate or future access to capital and for which these individuals have been recorded in the register shall be stripped of their voting rights for any subsequent Shareholders' Meeting, and until such time as this identification requirement has been fulfilled, to which date payment of the corresponding dividend will also be deferred.

Moreover, in the event the registered individual knowingly disregards these obligations, the court of competent jurisdiction given the location of the Company's registered offices may, if petitioned by the Company or one or more of its shareholders holding at least 5% of the Company's capital, order total or partial suspension, for a period not to exceed five years, of the voting rights attached to the shares for which the Company had requested information, as well as suspension, for the same period of time, of the right to payment of the corresponding dividend.

Thresholds (article 11.2 of the by-laws)

In addition to the legal obligation to notify the Company when legal thresholds have been crossed, any individual or legal entity, whether acting alone or jointly, that comes to own, either directly or indirectly as defined by law (and particularly article L. 233-9 of the French Commercial Code), a number of shares equivalent to a fraction of the share capital or voting rights in excess of 2% must inform the Company of the number of shares and voting rights it owns, within five trading days of the date from which the threshold was crossed, and must do so regardless of the book entry date, *via* registered mail with return receipt addressed to the Company's registered office or by any equivalent means for shareholders or security holders outside France, by specifying the total number of equity shares and securities granting future access to equity and related voting rights that it owns as of the date on which the declaration is made. This declaration in relation to the crossing of a threshold also indicates whether the shares or related voting rights are or are not held on behalf of or jointly with other natural or legal entities and additionally specifies the date on which the threshold was crossed. The declaration shall be repeated for each additional 1% fraction of capital or voting rights held, without limitation, including beyond the 5% threshold.

Where they have not been duly declared under the conditions provided above, shares exceeding the fraction that should have been declared are deprived of voting rights in Shareholders' Meetings from the moment one or more shareholders in possession of at least 5% of the Company's capital or voting rights make such a request, duly recorded in the minutes of the Shareholders' Meeting. The suspension of voting rights shall apply to all Shareholders' Meetings taking place up until expiration of a period of two years from the date on which the reporting requirement is fulfilled.

Any shareholder whose share in the capital and/or voting rights in the Company falls below any of the aforementioned thresholds is also required to notify the Company as such, within the same period of time and in the same manner, no matter the reason.

In calculating the aforementioned thresholds, the denominator must include consideration of the total number of shares that form the Company's capital and that carry voting rights, including those with their voting rights suspended, as published by the Company in accordance with the law (the Company being required to specify, in its publications, the total number of said shares carrying voting rights and the number of shares that have their voting rights suspended).

Changes to share capital (article 7 of the by-laws)

The share capital can be increased or decreased by any method or means authorized by law. The Extraordinary Shareholders' Meeting can also decide to proceed with a division of the par value of the shares or with their consolidation.

6.12 Persons responsible

Person responsible for the Registration document

Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas

Declaration by the person responsible for the Registration document

I hereby certify, after taking all reasonable measures to ensure that such is the case, that the information contained in the French language Registration document is, to my knowledge, consistent with reality and does not include any omission which could affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profits and losses of the Company and of the companies within its scope of consolidation, and that the information from the management report listed in section 6.14.2 of this Registration document presents a fair overview of the business developments, profits and losses and financial position of the Company and the companies within its scope of consolidation, as well as a description of the main risks and uncertainties they face.

I have received from the Statutory Auditors a letter stating that their work has been completed, in which they indicate that they have verified the information concerning the financial position and the financial statements presented in this document, and have read the entire document.

March 27, 2018

Didier Michaud-Daniel

Chief Executive Officer of Bureau Veritas

Person responsible for the financial information

Nicolas Tissot

Chief Financial Officer of Bureau Veritas

Address: Immeuble Newtime – 40/52, boulevard du Parc

92200 Neuilly-sur-Seine – France

Tel: +33 1 55 24 76 30

Fax: +33 1 55 24 70 32

6.13 Statutory Auditors

6.13.1 Principal Statutory Auditors

PricewaterhouseCoopers Audit

Represented by Christine Bouvry

63, rue de Villiers

92208 Neuilly-sur-Seine cedex – France

The mandate of PricewaterhouseCoopers Audit as Statutory Auditor was renewed at the Ordinary Shareholders' Meeting on May 17, 2016 for a period of six financial years.

PricewaterhouseCoopers Audit is a member of the *Compagnie régionale des commissaires aux comptes de Versailles*.

Ernst & Young Audit

Represented by Nour-Eddine Zanouda

1-2, place des Saisons, Paris La Défense 1

92400 Courbevoie – France

Ernst & Young Audit was appointed as Statutory Auditor at the Ordinary Shareholders' Meeting on May 17, 2016 for a period of six financial years.

Ernst & Young Audit is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

6.13.2 Substitute Statutory Auditors

Jean-Christophe Georghiou

63, rue de Villiers

92208 Neuilly-sur-Seine cedex – France

Jean-Christophe Georghiou was appointed as substitute Statutory Auditor at the Ordinary Shareholders' Meeting on May 17, 2016 for a period of six financial years.

Auditex

1-2, place des Saisons, Paris La Défense 1

92400 Courbevoie – France

Auditex was appointed as substitute Statutory Auditor at the Ordinary Shareholders' Meeting on May 17, 2016 for a period of six financial years.

6.14 Cross-reference table

6.14.1 Cross-reference table in accordance with Regulation (EC) No. 809/2004 of April 19, 2004

	Information required under Annex 1 of Regulation (EC) No. 809/2004	Page
10.5.	Anticipated sources of funds	180
11.	**R&D, patents and licenses**	**56**
12.	**Trend information**	**187**
13.	**Profit forecasts or estimates**	
13.1.	Principal assumptions	NA
13.2.	Report prepared by the Statutory Auditors	NA
13.3.	Profit forecasts or estimates	NA
14.	**Administrative, management and supervisory bodies and senior management**	
14.1.	Information about the administrative and management bodies	11
14.2.	Administrative, management and supervisory bodies and senior management conflicts of interests	130-131
15.	**Remuneration and benefits**	
15.1.	Remuneration paid and benefits-in-kind granted	152, 158-159
15.2.	Amounts set aside or accrued to provide pension, retirement or similar benefits	158-159
16.	**Administrative, management and supervisory bodies and senior management**	
16.1.	Date of expiration of the current term of office of the members of the administrative, management or supervisory bodies	118-129
16.2.	Information about members of the administrative, management or supervisory bodies' service contracts	166
16.3.	Information about the Audit Committee and Nomination & Compensation Committee	136-137, 137-138
16.4.	Statement of compliance with the corporate governance regime	133
17.	**Employees**	
17.1.	Number of employees	80
17.2.	Shareholding and stock options	87, 162-166
17.3.	Share ownership and options over such shares	297-298
18.	**Major shareholders**	
18.1.	Major shareholders' names and interests	297-298
18.2.	Different voting rights	298
18.3.	Control over the issuer	298
18.4.	Arrangements that may result in a change of control	299
19.	**Related-party transactions**	**302**
20.	**Financial information concerning assets and liabilities, financial position and profit and losses**	
20.1.	Historical financial information	Information incorporated by reference
20.2.	*Pro-forma* financial information	213-214
20.3.	Financial statements	190-194
20.4.	Verification of historical financial information	252-257, 279-281
20.5.	Date of the latest audited financial information	12/31/2017
20.6.	Interim and other financial information	NA
20.7.	Dividend policy	299
20.8.	Legal and arbitration proceedings	67-69
20.9.	Significant change in the financial or trading position	186
21.	**Additional information**	
21.1.	*Share capital*	*294*
21.1.1.	*Amount of issued capital and number of shares*	*294*
21.1.2.	*Shares not representing capital*	*294*
21.1.3.	*Treasury shares*	*294-296*
21.1.4.	*Convertible or exchangeable securities or securities with warrants*	*296*
21.1.5.	*Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase capital*	*296*
21.1.6.	*Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option*	*296*
21.1.7.	*History of share capital*	*297*

	Information required under Annex 1 of Regulation (EC) No. 809/2004	Page
21.2.	Articles of incorporation and by-laws	304-308
21.2.1.	*Corporate purpose*	*304*
21.2.2.	*Members of the administrative, management and supervisory bodies*	*111-132*
21.2.3.	*Rights, preferences and restrictions attached to shares*	*304-305*
21.2.4.	*Modification of shareholders' rights*	*305*
21.2.5.	*Conditions for calling Shareholders Meetings and admission*	*305*
21.2.6.	*Provisions that could have the effect of delaying, deferring or preventing a change in control*	*307*
21.2.7.	*Share ownership thresholds*	*307-308*
21.2.8.	*Provisions governing changes in capital*	*308*
22.	**Material contracts**	**55**
23.	**Third-party information, statements by experts and declarations of interest**	**NA**
24.	**Documents on display**	**301**
25.	**Information on holdings**	**217, 241-251, 266-269**

6.14.2 Cross-reference table for the management report pursuant to articles L. 225-100 *et seq.* of the French Commercial Code

Management report	Section	Page
Activity of the Company and the Group		
Group position and activity during the year	4.1	168
Activity and results of the Company, its subsidiaries and the companies it controls	4.2	169
Analysis of changes in business, results and financial position	4.2	169-180
Key financial and non-financial performance indicators	1.2	15
Trends and outlook	1.5.7, 4.7	33, 187
Significant events between the end of the reporting period and the preparation date of the management report	4.5, 5.1	185, 240
Description of main risks and uncertainties	1.11	57-67
Climate change-related financial risks and measures taken by the Company	4.4	183
Research and development activities	1.9	56
Current subsidiaries	5.1, 5.2	241-251, 266-269
Internal control and risk management of financial and accounting information	4.4	181
Information on the use of financial instruments (financial risk management)	1.11.3, 5.1	65-67, 205-206, 236-239
Share trends	6.8.3	300
Other accounting and/or tax information		
Amount of sumptuary expenses	5.3.3	283
Amount of dividends and other distributed revenue paid out in the last three financial years	5.3.2	283
Five-year financial summary	5.3.5	284
Payment terms for trade payables	5.3.6	285
Information on conditions pertaining to the exercise of stock options granted to executive officers and to the retention of shares	3.2.2	153-156
Information on conditions relating to the retention of free shares granted to executive officers	3.2.2	153-156
Capital structure		
Percentage of share capital owned by employees	6.7.1	297-298
Ownership structure and changes during the financial year	6.7.1	297-298
Name(s) of companies controlled by the Group and percentage of share capital held	5.1, 5.2, 6.2	241-251, 266-269, 289
Acquisition during the year of significant holdings or control of companies whose registered office is in France	NA	NA
Transactions involving Company shares carried out by executive officers, their close relatives or persons with close links to them	3.3.2	161
Purchase and resale by the Company of treasury shares	6.6.3	294-296
Social and environmental information		
Social and environmental information	2	72-98
Information on the implementation of the duty of care plan	**2.6**	**99-100**
Report prepared by the Board of Directors on corporate governance	**3**	**111-166**

BUREAU VERITAS
Limited company (société anonyme)
with registered capital of EUR 53,040,000
RCS Nanterre B 775 690 621
Registered office :
Immeuble Newtime 40/52 Boulevard du Parc
92200 Neuilly-sur-Seine - France
Tel.: + 33 (0)1 55 24 70 00

Sites internet
www.bureauveritas.com
www.bureauveritas.fr
http://group.bureauveritas.com

Designed & published by LABRADOR +33 (0)1 53 06 30 80

This document is printed in France by an Imprim'Vert certified printer on PEFC certified paper produced from sustainably managed forest.

Move Forward with Confidence

Immeuble Newtime, 40/52 Boulevard du Parc - 92200 Neuilly-sur-Seine - France
Tel.: +33(0)1 55 24 70 00 - Fax: +33(0)1 55 24 70 01 - www.bureauveritas.fr