



BUREAU VERITAS 2023 CLIMATE TRANSITION PLAN

BUREAU

VERITAS

MAY 2023

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This first Bureau Veritas climate transition plan outlines our priorities and action plans to mitigate our impact on climate change and to adapt our operations to climate change.

Bureau Veritas is a TCFD* supporter and it aligned its climate transition plan on its recommendations.

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* TCFD (Taskforce on Climate Financial Disclosures)

|
01

**BUREAU VERITAS
BUSINESS MODEL**



**BUREAU
VERITAS**



BUREAU VERITAS BUSINESS MODEL



WHO WE ARE

Bureau Veritas is a world leader in testing, inspection, and certification. Created in 1828, the Group has more than 82,000 employees located in more than 1,600 offices and laboratories around the globe.

OUR MISSION: SHAPING A WORLD OF TRUST

Bureau Veritas helps its clients improve their performance by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.

OUR VISION: A BUSINESS TO BUSINESS TO SOCIETY COMPANY

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



02

SUSTAINABILITY STRATEGY



BUREAU
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SUSTAINABILITY STRATEGY



Bureau Veritas operates according to a sustainable development model that integrates sustainability and financial performance. Sustainability issues have been at the heart of our business for almost 200 years, through our expertise in health, safety, quality and environmental protection.

Our raison d'être: Shaping a World of Trust by ensuring responsible progress.

Bureau Veritas sustainability strategy is aligned with the UN's sustainable development goals. It relies on a materiality assessment to identify the most important issues, risks and opportunities to our business and stakeholders.

As a result, we have designed our sustainability strategy with the ambition to **Shape a Better World**, made of three pillars: Shaping a Better Workplace, Shaping a Better Environment and Shaping Better Business Practices.

BUREAU VERITAS SUSTAINABILITY STRATEGY

SHAPING A BETTER WORLD

| **Shaping a Better Workplace**

The health, safety, well-being and development of our people are priorities. By promoting an inclusive environment, we strive to Shape a Better Workplace.

| **Shaping a Better Environment**

Every day, we help our clients reduce their risks, notably related to environmental protection. In parallel, we want to be exemplary ourselves in reducing our impact. Our ambition is to be a role model in carbon footprint reduction and biodiversity protection.

| **Shaping a Better Workplace**

Shaping Better Business Practices is fundamental to promote responsible progress, protect Human Rights and create an environment of trust.

CLIMATE GOVERNANCE

Board oversight: The Board of Director's oversees Bureau Veritas climate transition plan and Christine Anglade-Pizardeh was appointed as Board member advisor for climate-related topics. The Board decisions for strategy, acquisitions, risk management and capex consider climate impacts. It reviews the climate plan progress every year. The Strategic committee reviews the climate strategy, and the Audit & risk committee the target setting and KPIs.

Management role: Bureau Veritas CEO oversees the climate-related opportunities and risks during the quarterly Operating Reviews. The Group Chief Sustainability Officer oversees the climate plan definition, update and execution. Operating Group (OG) EVPs lead the climate plan execution in their OG, with the support of their CSR and HSE leaders:

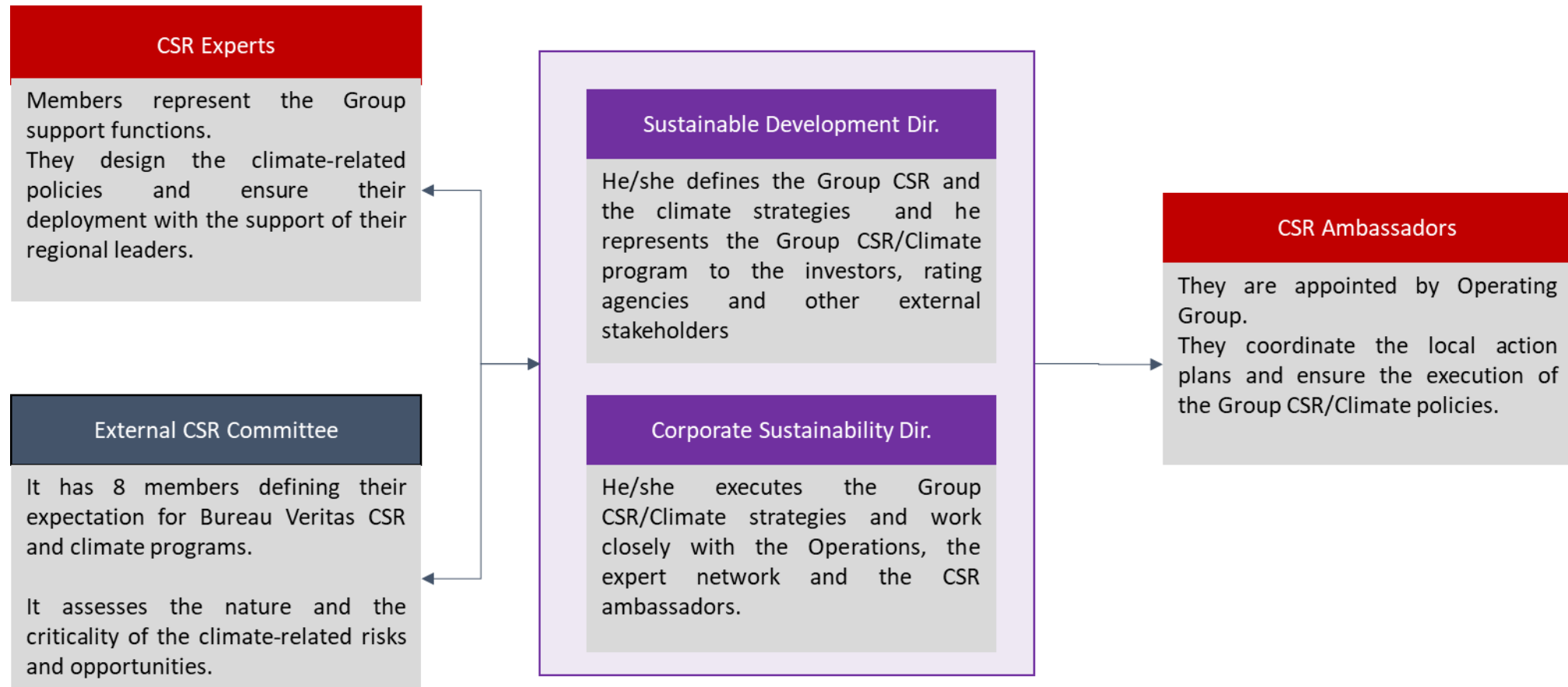
- Impacts on business are managed by Operations and Global service lines
- Impacts on the Environment are managed by Operations and Group HSE

Climate taskforce: Bureau Veritas has set a climate taskforce whose members are the Group Chief Sustainability Officer and the Vice-Presidents for HSE, Strategy and Risk management. Its role is to identify the climate change risks & opportunities, analyze their impacts on the company, edit policies, set objectives and monitor KPIs. It also ensures that it is included in the Group risk management processes.

BOARD GOVERNANCE FOR CLIMATE

Board of Directors		
<ul style="list-style-type: none">• It reviews the strategic orientations and ensures the availability of the required resources to achieve the climate objectives• It follows the climate strategy execution and the application of the climate-related policies• It verifies the climate transition plan and ensures that it is compatible with the trajectory allowing to limit climate warming to 1,5°C.• It follows the Group top management diversity and inclusion objectives and the social policy for professional equality and compensation.		
Strategy Committee	Audit and Risk Committee	Nominations and Compensation Committee
<ul style="list-style-type: none">• It reviews and validates Group climate strategy and ensures that appropriate policies are defined.• It validates the climate priorities, the associated indicators and their objectives.	<ul style="list-style-type: none">• It assesses the nature and the criticality of the climate-related risks.• It ensures the precision of the climate-related indicators and in particular the GHG emissions• It follows the efficiency of the internal control system and risk management.• It reviews the scope of the sustainability assurance report and it analyses its conclusions.	<ul style="list-style-type: none">• It reviews the variable remuneration policy associated to climate transition.• It verifies the level of the climate-related objectives.• It verifies the human resources management policies.

EXECUTIVE GOVERNANCE FOR CLIMATE



OUR CLIMATE TRANSITION APPROACH

**BUREAU VERITAS
DRIVES ITS
CLIMATE
TRANSITION IN 3
DIRECTIONS**



Reducing our carbon footprint

Despite its small level of CO₂ emissions, Bureau Veritas is committed to reduce it.

As energy consumption in laboratories and business travels from our office employees account for more than 80% of Bureau Veritas carbon footprint, we have set prioritized action plans in these two areas. *(slides 12-22)*

Adapting to climate change

The presence of Bureau Veritas offices and labs in regions exposed to extreme weather conditions may impact on our service delivery.

Specific mitigation actions are taken to ensure business continuity. *(slides 23-30)*

Assisting our clients

Bureau Veritas supports its clients in their own transition program providing ESG technical assistance, inspection and certification services designed to help reduce CO₂ emissions towards net zero. This activity is proposed by our operational units in the countries where we operate through our BV Green Line of services and solutions. *(slides 31-34)*

An underwater scene with a school of fish swimming in clear blue water. A large white rectangular box is centered on the page, containing the number '03' and the title 'REDUCING OUR CARBON FOOTPRINT'. A small red vertical line is positioned above the '03'.

03

**REDUCING OUR CARBON
FOOTPRINT**



**BUREAU
VERITAS**

OUR GHG EMISSIONS

Bureau Veritas CO₂ emissions

We report our Green House Gas emissions using the GHG protocol.

BV green house gas emissions mainly arise from the labs we operate, the buildings we occupy, business travels and from the goods and services we buy from our supply chain.

● **Scope 1** – Direct emissions resulting from burning fossil fuels such as oil and gas. It mainly comes from BV vehicle fleet, BV lab heating systems and ovens;

● **Scope 2** – Direct emissions arising from the purchase of electricity in BV premises;

● **Scope 3** – Indirect emissions resulting from the value chain. It mainly includes, subcontracting, business travels, purchasing, commuting...

	2022*	Var 21 > 22	2021*	2020
Absolute CO ₂ emissions				
CO ₂ emissions – Scope 1 (t)	71 561	0%	71 732	61 414
CO ₂ emissions – Scope 2 (t)	79 856	-8%	87 133	80 987
CO ₂ emissions – Scope 3 (t)	577 841	13%	509 217	528 860
Total CO ₂ emissions (t)	729 258	9%	668 082	671 261
Compensation (t)	3 440	32%	2 609	428
Direct net CO ₂ emissions (t) ⁽¹⁾	177 403	-1%	179 452	175 208
Intensity CO ₂ emissions				
Scopes 1&2 net CO ₂ emissions per employee (t/ee)	1,86	-11%	2,08	1,89
Scopes 1&2 net CO ₂ emissions per M€ revenue (t/M€)	26,19	-17%	31,37	30,86
Scope 3 CO ₂ emissions per employee (t/ee)	7,25	7%	6,77	7,03
Scope 3 CO ₂ emissions per M€ revenue (t/M€)	102,27	0%	102,23	114,94

Bureau Veritas reports a strong reduction of its direct CO₂ emissions in 2022 compared to 2021

- Scope 2 CO₂ emissions absolute value reduced 8%.
- Scope 1 & 2 net CO₂ emission intensity (per employee and M€ revenue) reduced 11% & 17%

This reduction is due to renewable solar energy production in our labs and to BV renewable energy purchase policy. Green energy consumption increased from 10.000 MW in 2021 to 25.000 MW in 2022 (9.5% of the consumed energy).

* market-based approach

(1) Scope 1, scope 2 and scope 3 for work-related transport

DETAILED SCOPE 3 EMISSIONS

Scope 3 emission sources	2022			2021		2020	
	Weight (%)	CO2 (tons)	Var 22 vs 21 per M€	%	T CO2	T CO2	T CO2
Purchased goods and services <i>(GHG scope 3 cat 1)</i>	63%	361 943	4%	60%	305 449	60%	318 585
Fuel and energy-related activities <i>(GHG scope 3 cat 3)</i>	7%	41 501	-14%	8%	42 373	7%	39 166
Waste generated in operations <i>(GHG scope 3 cat 5)</i>	1%	5 506	-41%	2%	8 190	1%	5 582
Business travel <i>(GHG scope 3 cat 6)</i>	12%	69 954	9%	11%	56 759	12%	65 349
Employee commuting <i>(GHG scope 3 cat 7)</i>	7%	40 466	-7%	7%	38 176	7%	37 465
Upstream leased assets <i>(GHG scope 3 cat 8)</i>	10%	58 477	-12%	11%	58 271	12%	62 713
Total	100%	577 847	0%	100%	509 218	100%	528 860
Scope 3 CO₂ emissions per M€ revenue (t/M€)		102,27			102,23		114,94

Stable scope 3 CO₂ emission intensity per M€ revenue since 2021

Priority is put to reduce emissions from suppliers of goods and services focusing on:

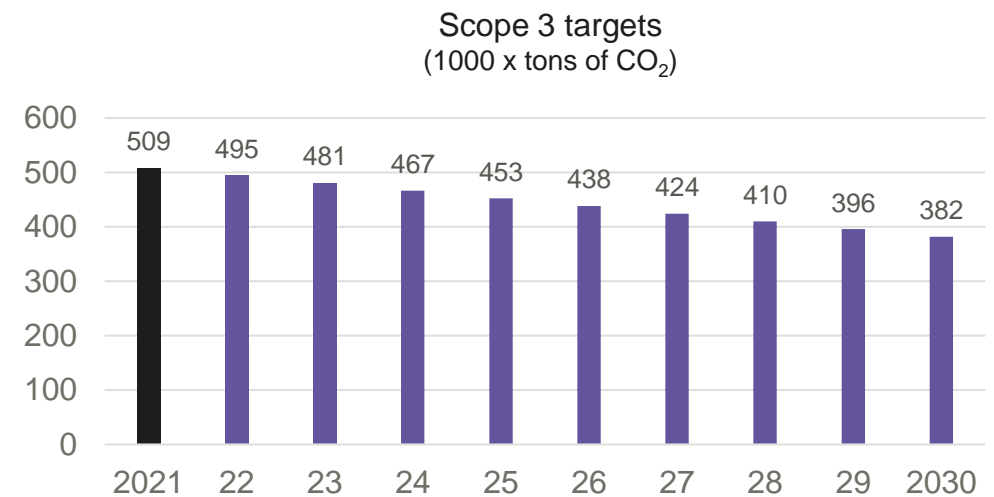
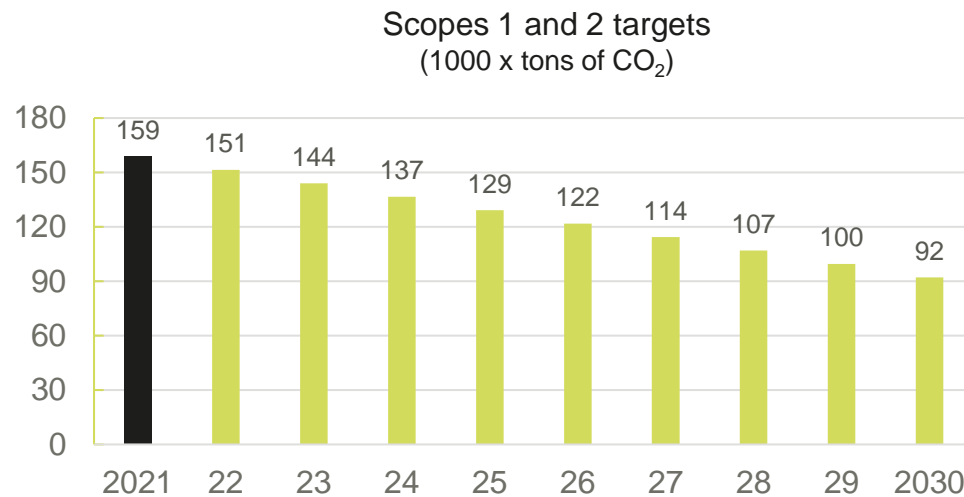
- Suppliers of lab consumables (54% of purchased goods and services)
- Subcontractors (28% of purchased goods and services)

OUR CARBON EMISSION REDUCTION TARGETS



Bureau Veritas has set near-term targets approved by SBTi in line with 1,5°C trajectory

- Bureau Veritas commits to reduce absolute scopes 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.
- Bureau Veritas commits to reduce absolute scope 3 GHG emissions 25% by 2030 from a 2021 base year.



5 PATHWAYS TO REDUCE OUR EMISSIONS

Achieving our CO₂ emission reduction ambition requires a strong mobilization of our teams and specific investments to transform our labs equipment and our business operations.

Based on the energy consumption analysis we have identified 5 main pathways to reduce our emissions. For each of them we defined an action plan and an indicator with a 2030 target. All together, these 5 actions will reduce Bureau Veritas absolute CO₂ emissions 30% from 2021 baseline.

The performance and the maturity of Bureau Veritas CSR management system is reported on Clarity, our solution to drive the Group ESG performance, from country to global level.



P1- Labs energy consumption

We will perform energy performance audits of our labs and implement on purpose solutions

P2- Office energy efficiency

We will progressively move to offices with high energy performance score and transfer all our servers to the cloud

P3- Renewable energy

We will produce and purchase renewable energy wherever it is possible

P4- Business travels

We will restrict business travels and set a green car policy

P5- Suppliers

We will engage with all suppliers to obtain the reduction of their CO₂ emissions

P1- REDUCE LABS ENERGY CONSUMPTION

Context

Labs equipment and processes are energy intensive. In 2022, they represent 88% of Group CO₂ emissions from energy consumption (83 665 tons), which equals to 55% of total Group CO₂ scope 1 & 2 emissions.

Actions

Several actions are progressively considered in the labs we operate for our Commodities and Consumer products activities:

- Perform energy performance audits of large labs (17% to 25% potential CO₂ emission saving)
- Upgrade energy intensive equipment and adapt production processes to reduce largest labs consumption
- Regulate heating, ventilation and air conditioning systems of all labs

Indicator and target

The KPI to measure the action efficiency is the labs' energy consumption.

The ambition is to reduce it 20% by 2030, from 2021 baseline.

P2- OFFICE ENERGY EFFICIENCY

Context

Emissions from leased assets (buildings, automotive and computers) equals 58 577 tons of CO₂, which represents 10% of scope 3 emissions. Reducing emissions from our premises is a priority. We act to ensure that they are efficient and operated in a responsible manner.

Actions

The route to achieve the building emission reduction includes:

- Moving to energy-efficient buildings when renewing the leases, giving priority to building that obtained LEED or equivalent certifications
- Regulating the office temperature to 19°C during winter and to 26°C during summer
- Using the cloud to store data giving priority to certified low-energy data centers
- Selecting computer equipment with low-energy consumption

Indicator and target

The KPI to measure the action efficiency is the upstream leased asset CO₂ emissions. The ambition is to reduce it 30% by 2030, from 2021 baseline.

P3- RENEWABLE ENERGY

Context

Renewable energy only represents 9.5% of the consumed energy. In 2022, several projects were launched to install solar panels on labs premises and to purchase electricity from renewable sources. These 2 initiatives reduced 8% our absolute scope 2 emissions in only one year.

Actions

Our priority is firstly to reduce our energy consumption and secondly to ensure residual consumption will be from a renewable energy sources.

We will ensure that the electricity we consume is from renewable sources by exploring onsite electricity production and purchasing offsite renewable energy:

- When possible, we will install solar panels on lab roofs to produce electricity (direct PPA).
- Where green tariffs are available, we will study the possibility to switch to renewable electricity sources.
- Where green tariffs are not available, we will purchase Certificates of Origin (REC).

Indicator and target

The KPI to measure the action efficiency is the percentage of renewable energy consumed.
The ambition is to reach 60% by 2030.

P4- BUSINESS TRAVEL EMISSION

Context

In 2022, CO₂ emissions from business travels equals 91 345 tons of CO₂, which represents 12% of Group CO₂ emissions. It includes emissions coming from long-distance travels by plane or train with associated accommodation and short distance travels mainly by company vehicles. 75% of these emissions comes from the office-related activities.

Actions

Three main actions are deployed progressively across all Bureau Veritas premises:

- Restriction of long-distance travels to business imperative needs
- All Group entities will include low-emission vehicles in their list of authorized vehicles
 - Vehicles for executive levels will have to emit less than 60g of CO₂/km
 - All other new vehicles will have to emit less than 130g of CO₂/km
 - Where possible, use bioethanol

Indicator and target

The KPI to measure the action efficiency is the CO₂ emission for business travels. The ambition is to reduce it 30% by 2030, from 2021 baseline.

P5- SUPPLIERS OF GOODS & SERVICES

Context

Our suppliers for goods and services represents the largest part of our CO₂ emissions. With 361 943 tons of CO₂ in 2022, it represents 50% of Group CO₂ total emissions.

Actions

Reducing the CO₂ emissions of our suppliers is a priority to reach Bureau Veritas ambition.

The actions implemented to achieve it are:

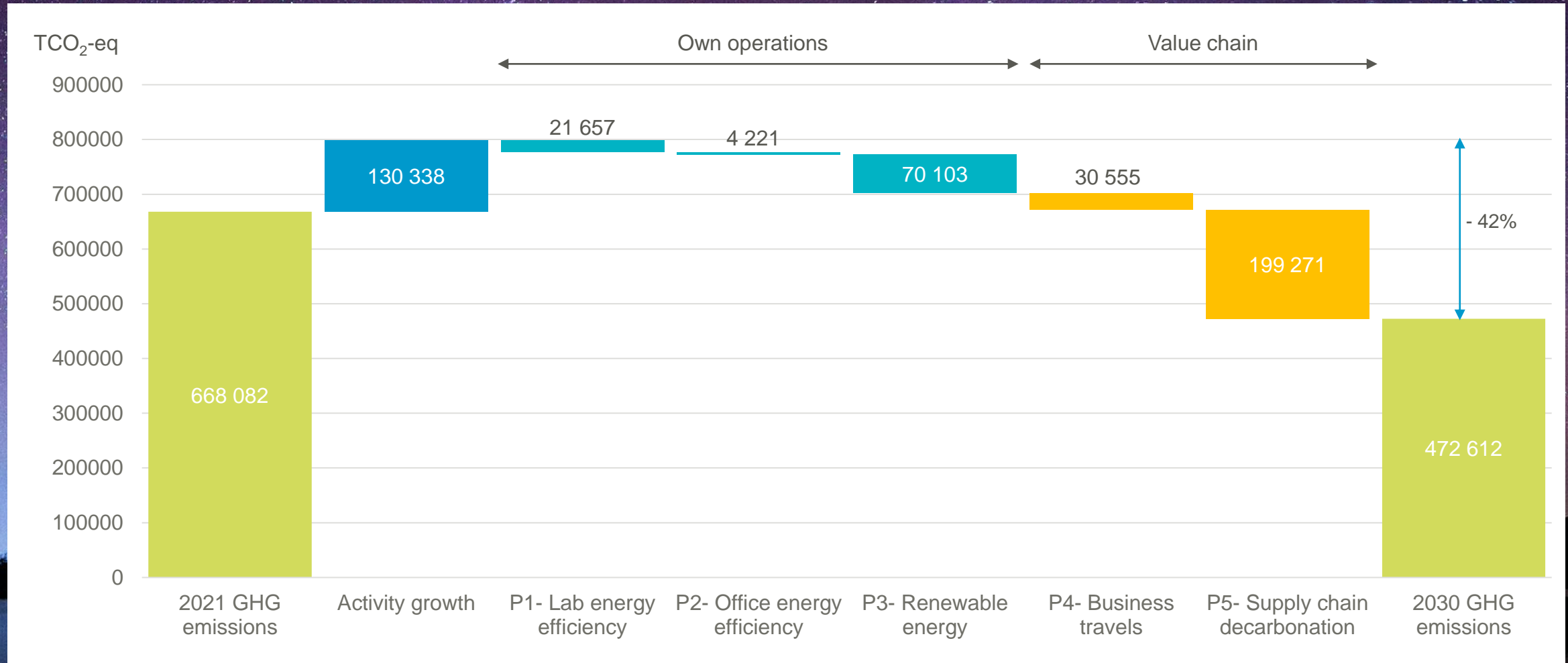
- Implement a CO₂ scope 3 emission management tool
- Engage with Bureau Veritas suppliers having the largest contribution to our scope 3 emissions to reduce their CO₂ emission
- Include in our responsible purchasing policy a supplier selection criteria based on the reduction of CO₂ emissions

Indicator and target

The KPI to measure the action efficiency is Bureau Veritas scope 3 emissions for Purchased goods and services.

The ambition is to reduce it 50% by 2030, from 2021 baseline.

EMISSION REDUCTION PATHWAY





04

**ADAPTING TO
CLIMATE CHANGE**

ADAPTING TO CLIMATE CHANGE

Context

Identifying the impacts of climate change on Bureau Veritas assets and operations is essential to prepare our adaptation to these changes. Bureau Veritas uses TCFD methodology (Taskforce for Climate-related Financial Disclosure).

Risk and opportunities linked to climate change are assessed by Bureau Veritas Climate taskforce with the support of the Global Service Lines. The assessment covers the short, medium and long term.

It covers the following risks and opportunities:

Transition risks

- | Political & legal
- | Technology
- | Market
- | Reputational

Physical risks

- | Acute
- | Chronic

Opportunities

- | Resources
- | Market

TRANSITION RISKS

The main transition risks that may impact Bureau Veritas are:

- **Political & legal**

- | Increasing ESG regulations affecting our customer operations
- | Increasing price of energy
- | Increasing pressure to reduce our energy consumption and CO₂ emissions
- | Multiplication of ESG reporting regulations with increasing ESG data to be reported
- | Increasing cost of insurance covering climate-related damages

- **Technology**

- | Need to invest in new low energy consumption lab equipment

- **Market**

- | Evolution of client needs requiring Bureau Veritas to develop new ESG services
- | Need to recruit and train our inspectors and auditors to accompany our clients in their ESG needs
- | Increasing demands from stakeholders concerning Bureau Veritas adaptation to climate change

- **Reputational**

- | Growing pressure to reduce the activity with brown sectors

PHYSICAL RISKS

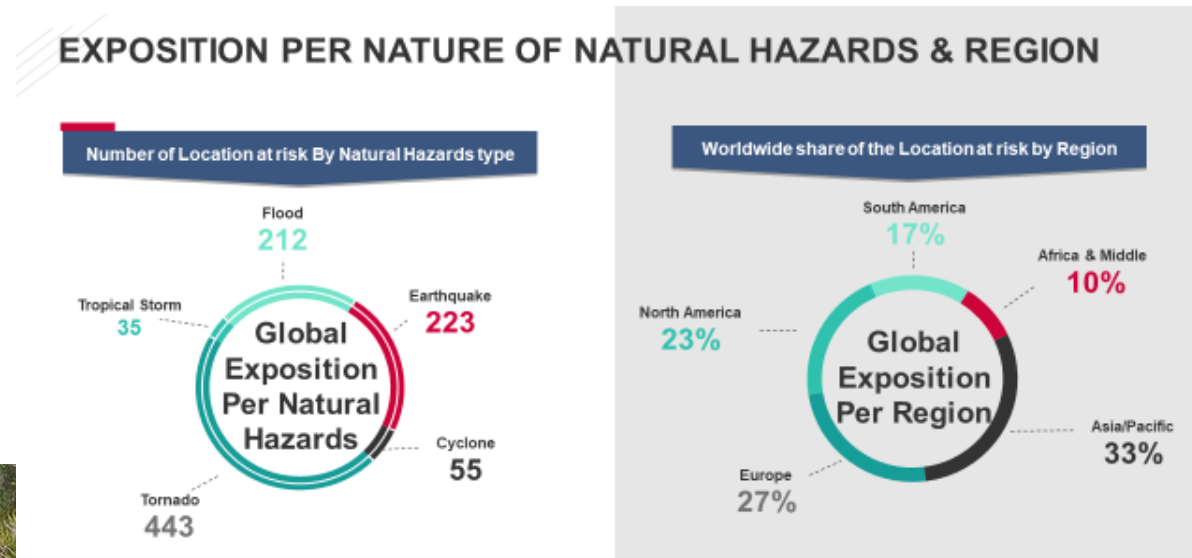
Acute events such as earthquakes, cyclones, tornados, tropical storms, flash floods or mega fires may impact Bureau Veritas assets and business continuity.

The assessment of the 1.597 Bureau Veritas locations identified:

- 784 locations at high to extreme risk towards at least one natural hazard
- 106 locations exposed to two or more natural hazard events.

These premises are mainly located in China, South Korea, Argentina, UK and the USA.

It represents more than 51 M€ of value insured. Insurance policies were adjusted according to climate risk impacts.



TRANSITION AND PHYSICAL RISKS ASSESSMENT

PHYSICAL RISKS

- INCREASED SEVERITY OF EXTREME WEATHER CONDITIONS IMPACTING BUSINESS CONTINUITY
- RISING TEMPERATURES AND FLOODS REDUCING CLIENT PRODUCTIVITY

REPUTATIONAL RISKS

- STIGMATIZATION ON ACTIVITIES WITH NON-GREEN SECTORS
- INCREASED STAKEHOLDER CONCERNS TO BE ESG EXEMPLAR

MARKET RISKS

- CHANGE IN CLIENT NEEDS LOOKING FOR MORE ESG EXPERTISE
- SLOW-DOWN OF BROWN SECTOR ACTIVITIES

POLICY & LEGAL RISKS

- INCREASED CO₂ AND ENERGY PRICES
- ENHANCED EMISSION REPORTING OBLIGATIONS
- EXPOSURE TO LITIGATION IN CASE OF CLIENT ENVIRONMENTAL DISASTER

TECHNOLOGY RISKS

- SUBSTITUTION OF SERVICES WITH LOWER EMISSION
- INVESTMENT TO LOWER EMISSION TECHNOLOGY (LABORATORY EQUIPMENT)

● Very High ● High ● Medium ● Low

OPPORTUNITIES

Context

The transition towards a greener and more responsible economy represents a large scope of opportunities for Bureau Veritas through its Green Line set of services and solutions.

As detailed in BV Green Line, Bureau Veritas offers a large set of services and solutions.

To capture these opportunities, Bureau Veritas has launched several actions:

- Survey of the sustainability regulations focusing on EU, UK and the USA
- Training and qualification of inspectors and auditors to the Green Line services
- Appointment of new market leaders to support the operations in the following sectors: hydrogen production, sustainability management, CO₂ emission reduction, renewable energy, sustainability reporting assurance...

Bureau Veritas is confident that the revenue generated by the climate change related opportunities is more important than the cost of climate change related risks.

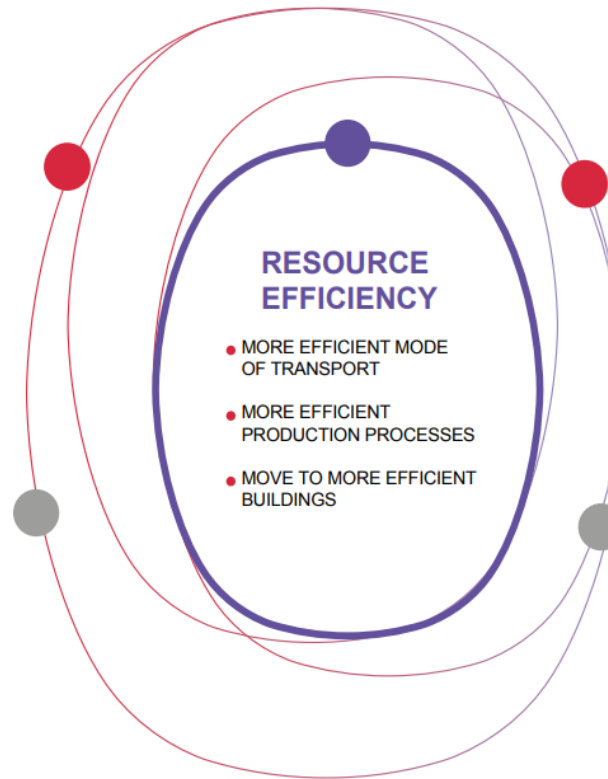
OPPORTUNITIES ASSESSMENT

MARKET

- SHIFT IN CONSUMER PREFERENCE FOR RESPONSIBLE LABELLED PRODUCTS
- EXPANDING GREEN ENERGY PRODUCTION AND STORAGE MARKETS

ENERGY SOURCE

- USE OF RENEWABLE ENERGY
- USE OF INCENTIVE POLICIES
- USE OF NEW TECHNOLOGIES



SERVICES

- GROWING NEEDS FOR CO₂ EMISSION REDUCTION SERVICES
- HIGHER DEMAND FOR THIRD PARTY SERVICES (ASSURANCE, CERTIFICATION, DATA)

RESILIENCE

- DESIGNING NEW PRODUCTION PROCESSES
- DEVELOPING NEW PRODUCTS

● Very High ● High ● Medium ● Low

CLIMATE-RELATED FINANCIAL DISCLOSURE

In € millions	Scenario		
	2030	IEA STEPS 2050	IEA SDS 2050
Financial impact	●	●	●
Risk			
Transition risks: political and legal	●	●	●
Transition risks: technological	●	●	●
Transition risks: market			
Transition risks: reputational			
Physical risks: serious and chronic	●	●	●
Opportunities			
Opportunities: more efficient use of resources			
Opportunities: energy sources	●	●	●
Opportunities: markets and services	●	●	●
Certification	●	●	●
Consumer Products	●	●	●
Marine & Offshore	●	●	●
Buildings & Infrastructure	●	●	●
Energy	●	●	●

● Very high >€1,000 million
 ● High €500-€1,000 million
 ● Medium €101-€500 million
 ● Low <€100 million



05

ASSISTING OUR CLIENTS

ASSISTING OUR CLIENTS

The major trends shaping our Testing, Inspection and Certification market in relation with climate change are:

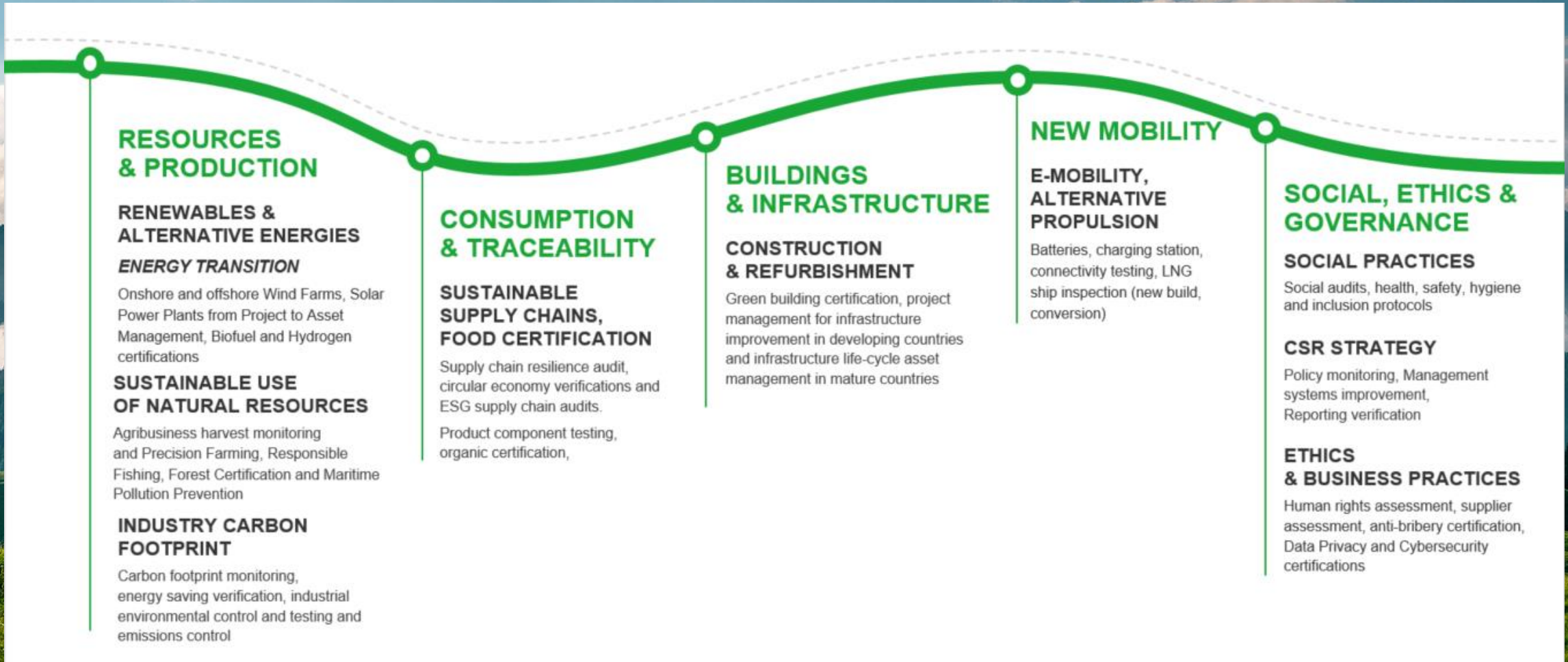
- Investment in new assets and equipment to produce low-carbon energy from solar, wind, hydrogen and nuclear power plants
- Important construction works in existing buildings to improve their energy efficiency characteristics
- Strengthened requirements for company CO₂ emission reduction and for their sustainability reporting verification

Through our **BV Green Line** we empower organizations to implement, measure and achieve their climate change mitigation objectives.

With our contribution, our clients can measurably demonstrate the impact of their ESG actions by making them traceable, visible and reliable. **By bringing transparency, we provide the tools to protect clients' brands and reputations.**



BV GREEN LINE OF SERVICES & SOLUTIONS



EXAMPLES OF BUREAU VERITAS CLIMATE-RELATED SERVICES

Auditing energy management and CO₂ emissions

- | Energy management system certification
- | Energy efficiency audits
- | Certification of CO₂ emission reporting
- | Supply chain CO₂ emissions & ESG audits
- | Product labelling with climate-related impacts

Reducing CO₂ emissions

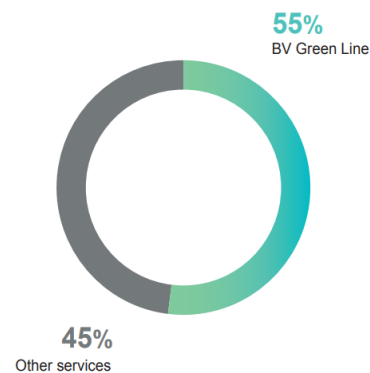
- | Detection and measurement of fugitive emissions
- | Quantification and reduction of CO₂ emissions
- | Audit of building energy performance
- | Certification of carbon removal

Inspecting and testing green assets

- | Solar panels, wind mills and hydrogen plants
- | Green mobility (electrical cars, batteries, EV charging stations, LNG ships ...)

The BV Green Line represented 55% of Group sales in 2022

**BV GREEN LINE
BREAKDOWN OF 2022 SALES**



**BV GREEN LINE
BREAKDOWN BY TYPE OF SERVICES**





06

BEYOND 2030



**BUREAU
VERITAS**

BEYOND 2030

This first climate plan set the near-term priorities to reduce energy consumption in labs and CO₂ emissions from business travels.

It also focuses on developing BV Green Line services and solutions to help our clients reduce their own CO₂ emissions.

In 2022 Bureau Veritas summited its CO₂ emission near-term targets to SBTi.

In parallel, Bureau Veritas analyzes the actions and investments required to set a longer-term net zero emission target beyond 2030.