



intertek

Annual Report & Accounts 2021

A Force for Good



*Intertek is a force for good,
bringing quality, safety
and sustainability to life.*

We are a purpose-led force for good, committed to delivering sustainable value for all stakeholders.

We never stop reinventing ourselves to take Intertek to greater heights.

I truly believe that one of our responsibilities to our stakeholders is to communicate clearly and with total transparency.

I am therefore pleased to share with you a new format for the 2021 Annual Report that captures, in a systemic end-to-end architecture, what we did in 2021 in three distinct reports: Strategic, Sustainability and Financial.

These three separate, and yet connected, reports have been designed to make it easier for our stakeholders to fully understand our business, how we bring quality, safety and sustainability to life, what we offer our clients, and the opportunities we have ahead of us.

André Lacroix
Chief Executive Officer







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[intertek.com](https://www.intertek.com)

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Highlights



🕒 Read our Strategic Report on pages 4-61



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Strategic highlights

We have a clear purpose of making the world ever better and our leading ATIC solutions are what society needs to build back ever better.

The growth in our end-markets is accelerating as our clients have realised during Covid-19 that too many risks in their supply chains were not properly mitigated.

Given our strong market leadership positions and our Science-based Customer Excellence, we are well positioned to seize the exciting growth opportunities ahead.

We operate a high-quality earnings model with a track record of continuous growth in revenue, margin, cash and dividends with an excellent Return on Invested Capital.

We are a high-quality global business delivering sustainable value for all stakeholders: customers, employees, suppliers, shareholders, regulators and our communities.

Sustainability highlights



Intertek has been included in the FTSE4Good Index for the fifth year running.



In 2021, Intertek received a rating of 'AAA' in the MSCI ESG Ratings assessment.



Intertek is an accredited Living Wage Employer in the UK.

2050

Continuous focus on reducing our direct GHG emissions and targeting net zero emissions by 2050.



Proud member of the Valuable 500.

Highlights

Continued



🕒 Read our Financial Report on pages 172-232

Financial highlights

- Strong progress in revenue, margin, earnings and cash
- Revenue of £2,786.3m: +6.5% at constant rates and +1.6% at actual rates
- Robust LfL revenue of 5.6% at constant rates: Products: +7.6%, Trade: +3.0%, Resources +1.7%
- Strong H2 with LfL revenue, profit and margin ahead of 2019
- Double-digit adjusted operating profit growth of +15.4% at constant rates and +10.8% at actual rates
- Strong adjusted operating margin of 17.0%: +130bps at constant rates and +140bps at actual rates
- Strong free cash flow of £401.8m driven by cash discipline improving the negative Group working capital further
- Statutory operating profit of £433.2m, up 19.6% YoY at constant rates
- Statutory net profit after tax of £306.7m, up 22.4% at constant rates and 16.8% at actual rates

£2,786m

Revenue
(2020: £2,742m)

£2,744m

Like-for-like revenue¹
(2020: £2,722m)

£402m

Adjusted free cash flow²
(2020: £435.6m)

£474m

Adjusted operating profit^{1,2}
(2020: £428m)

£433m

Statutory operating profit
(2020: £378m)

24.4%

Organic Return on Invested Capital¹
(2020: 21.6%)

17.0%

Adjusted operating margin^{1,2}
(2020: 15.6%)

15.5%

Statutory operating margin
(2020: 13.8%)

105.8p

Dividend per share³
(2020: 105.8p)

190.8p

Adjusted diluted earnings per share^{1,2}
(2020: 170.9p)

177.9p

Statutory diluted earnings per share
(2020: 152.4p)

- Definitions of the alternative performance measures, metrics and constant rates can be found on page 230.
- Adjusted operating profit, adjusted operating profit margin, adjusted diluted earnings per share ('EPS') and adjusted free cash flow are non-GAAP measures. Adjusted measures are stated before Separately Disclosed Items, which are described in note 3 to the financial statements. Reconciliations between statutory and adjusted measures, as well as return on invested capital and cash conversion, are shown in the Financial review.
- Dividend per share for 2021 is based on the interim dividend paid of 34.2p (2020: 34.2p) plus the proposed final dividend of 71.6p (2020: 71.6p).

Strategic Report

We are a force for good, bringing quality, safety and sustainability to life for our clients, with a long-term 5x5 differentiated strategy for growth that has ensured another strong performance in 2021.

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Our purpose-led approach and unrelenting focus on what matters to our customers is helping us to deliver sustainable value for all stakeholders.

Purpose Led

🕒 Read more about who we are on page 19

Ever better quality, safety and sustainability for all

Across the organisation, our people are excited about the opportunity we have to deliver on our purpose – bringing quality, safety and sustainability to life for our clients. This attitude and passion is at the heart of our culture, and our determination to be the agents of positive change around the world is evident in everything we do.

Outstanding solutions to empower our customers

Intertek at its core is a network of science-based, highly technically skilled individuals and teams who are dedicated to helping business become ever better. We understand the challenges our clients face and have the expertise to support them: whether it's making supply chains more resilient, managing an increasing volume of Quality Assurance related risks, making better use of big data, or ensuring the health, safety and wellbeing of their employees and consumers.

🕒 Read more about our innovations in the Operating Review on page 36

Science Driven

Customer Excellence

Amazing people delivering value every day

It is our people's unwavering commitment to our customers that has driven Intertek's strong performance throughout the pandemic and an economically turbulent period. Our performance has highlighted the unprecedented importance of Intertek's role and the mission-critical services we provide for companies across the world.

🕒 Read more about what we do on page 20

Chief Executive Officer's letter

It is our people who give us the right to call Intertek a force for good

André Lacroix
Chief Executive Officer



As I reflect on the significant disruption that Covid-19 has created for everyone on the planet, I deeply recognise and value the role we play at Intertek in every part of society.

We are a purpose-led force for good at the forefront of one of the world's most critical and exciting industries, bringing quality, safety and sustainability to life in more than 100 countries.

Covid-19 will be remembered as a tragedy for the world, changing life for millions of people, and it is my view that when the history books are written, Covid-19 will be remembered as much more than a global pandemic.

Indeed, Covid-19 has also caused the greatest dislocation of the global supply chain since the 1970s, demonstrating that the world was operating with significant intrinsic risks inside corporations and in our health services, making the need for risk-based Quality Assurance more critical than ever moving forward.

That is why Covid-19 has been a profound catalyst for change in all parts of society and all stakeholders realise that going back to the way the world operated pre-Covid-19 is just not good enough.

€2,786m

Revenue

1.6% at actual rates

190.8p

Adjusted Diluted EPS

11.6% at actual rates

24.4%

Organic ROIC

350bps at constant rates

17.0%

Adjusted Margin

140bps at actual rates

132%

Cash conversion

(1,600bps) at actual rates

105.8p

Dividend

In line with prior year

Everyone understands the need to build back an ever better world with higher quality, safety and sustainability standards, which of course is creating exciting growth opportunities for Intertek, whose purpose is to make the world an ever-better and ever-safer place.

As you will have heard, corporations across the globe have faced immense disruption to their supply chains during 2020 and 2021. I am pleased to report that our clients have had the peace of mind of being able to operate safely, knowing that they could count on 24/7 support from our 44,000 Total Quality Assurance ('TQA') experts across our global network of over 1,000 laboratories.

Throughout 2020 and 2021, our science-based, highly technically skilled individuals and teams have been acting in our customers' best interests with precision, pace and passion, going above and beyond our clients' expectations, delivering our customer promise: "Total Quality Assurance expertise delivered consistently with precision, pace and passion, enabling our customers to power ahead safely".

It is our people's unwavering commitment that has driven our continued strong performance throughout the pandemic and the associated economic downturn. Our strong performance during this period has demonstrated the importance of our role and the mission-critical services we provide for companies everywhere.

And it is thanks to the Science-based Customer Excellence of our people that we continue to be the global leader in risk-based Quality Assurance in one of the world's most exciting industries, the very attractive \$250 billion Quality Assurance market.

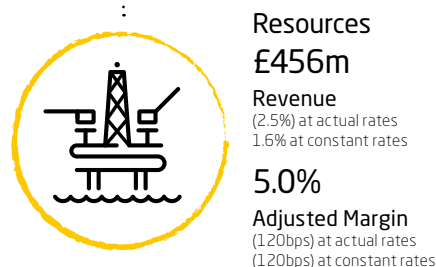
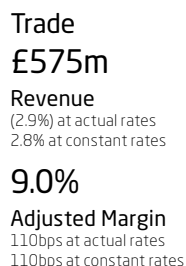
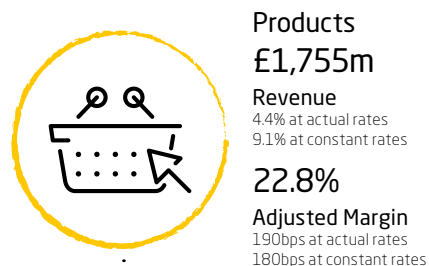
Intertek people are the driving force behind our industry leading scale positions in our various end-markets, our subject matter expertise, providing excellence in everything we do, all of which will enable us to give our clients the peace of mind they need from a quality, safety and sustainability standpoint.

It is our people who give us the right to call Intertek 'an amazing force for good'. And I want to show in my 2021 CEO letter and wider report what this means in practice for ourselves, for our clients, for the world as a whole and for generations to come.

Chief Executive Officer's letter

Continued

Performance by business



[Read more in the Operating Review on page 36](#)

Strong progress in 2021

I would like to thank all of my colleagues at Intertek for their outstanding contribution that has enabled us to make strong progress in 2021 in revenue, margin, earnings and cash. 2021 marked another year that demonstrated the strengths of our differentiated ATIC (Assurance, Testing, Inspection and Certification) value proposition, the Science-based Customer Excellence of our organisation, our unique performance management approach and the quality of our earnings model, delivering sustainable value for all stakeholders: customers, employees, suppliers, shareholders, regulators and our communities.

Group revenue was £2,786m up 6.5% at constant rates driven by a robust Lfl revenue growth of 5.6% and by the benefits of the acquisitions recently made. Operating profit grew by over 15% to £474m with margins increasing to 17%. Our free cash flow performance was excellent, with strong cash conversion driven by further improvements in working capital. This provides the Group with a strong balance sheet and the flexibility to invest in growth. Our ROIC was strong at 18.2% with an excellent organic ROIC of 24.4%, up 350bps year-on-year at constant rates. We continue to deliver sustainable returns to our shareholders and we have announced a full year dividend of 105.8p in-line with 2019 and 2020 enabling the Company to rebuild its dividends cover towards 2x.

“
We enter 2022 with confidence given the strong progress made in 2021.”

Key 2021 performance highlights

- Revenue of £2,786.3m: +6.5% at constant rates and +1.6% at actual rates
- Robust Lfl revenue growth of 5.6% at constant rates: Products: +7.6%, Trade: +3.0%, Resources +1.7%
- Broad-based Lfl revenue growth and record operating profit and margin in H2
- Double-digit adjusted operating profit growth of +15.4% at constant rates and +10.8% at actual rates
- Strong adjusted operating margin of 17.0%: +130bps at constant rates and +140bps at actual rates
- Double-digit adjusted diluted EPS growth of +16.8% at constant rates and +11.6% at actual rates
- Strong cash conversion delivers free cash flow of £402m; financial net debt of £733m, 1.1x adjusted EBITDA
- 18.2% ROIC with organic ROIC of 24.4% up 350bps at constant rates
- Sustainable returns to shareholders with FY21 dividend of 105.8p in-line with 2019 and 2020
- Well positioned to seize the exciting growth opportunities ahead with industry leading ATIC services

We enter 2022 with confidence given the strong progress made in 2021 and we are targeting robust Lfl revenue growth at constant currency, further margin progression and strong free cash flow, notwithstanding the supply chain challenges faced by clients in some of our markets.

The supply chain disruption being experienced by corporations across multiple industries has made the need for comprehensive risk-based quality, safety and sustainability assurance more critical than ever. Companies are investing in Quality Assurance to build greater resilience and safety, whilst innovating to deliver new high-quality products and services as consumer expectations rapidly evolve. The sprint to net zero emissions also means that corporations are reinventing the way they reduce their carbon footprints across their operations, adopting a comprehensive approach to sustainability with independently verified greater disclosures.

The Covid-19 pandemic has made the case for Total Quality Assurance clearer and stronger for our clients and we expect the \$250 billion global Quality Assurance market to grow faster post-Covid. Moving forward, all stakeholders in society expect governments and corporations to build back a better world with a sharper focus on end-to-end Quality Assurance.

Thanks to our leading ATIC capability and expertise, innovation and insight, Intertek is uniquely positioned to benefit from the GDP+ like-for-like revenue growth prospects in the Quality Assurance industry. We are investing organically and inorganically to seize the sustained long-term growth opportunities in our industry through a disciplined approach to capital allocation.

Chief Executive Officer's letter

Continued

Stronger demand for ATIC solutions moving forward

Intertek is a science-based company at its core, based on a global network of laboratories operated by customer-facing technical experts who are dedicated to helping customers use our innovations to overcome their risks and challenges in quality, safety and sustainability.

Our science-based expertise has never been more relevant than today – and it is set to become more so in the years ahead as the lingering impact of the pandemic drives accelerating growth in demand for our ATIC services.

There is no doubt in my mind that Covid-19 will be remembered as the greatest dislocation of the global supply chain since the 1970s, creating significant challenges for businesses, governments and consumers across the world. Its impacts included major issues such as the lack of PPE and medical devices during phase 1 of the pandemic, a shortage of components and raw materials in multiple industries across multiple markets, and the significant disruption of global trade and delayed availability of some products and services hindering the rebound of the global economy.

These factors resulted in many impacts, from empty shelves in supermarkets and 'out of stock' notices in e-commerce across many product categories to labour shortages in certain sectors of the economy. These in turn have placed inflationary pressure on wages and a lack of synchronisation between demand and supply in the world's energy markets, creating a shortage of electricity in several countries and putting inflationary pressure on energy costs.

The disruption we are seeing in the global supply chain springs from the compounding effect of three factors. First came a rapid fall in demand in Q2 2020, triggering cost reductions in major sectors and causing lower stock levels and a reduced workforce. This was followed by a strong recovery in global demand in Q4 2020 and H1 2021 for many product categories, running well ahead of expectations that had just been lowered. These factors were compounded by a lack of business intelligence inside corporations, restricting their ability to read the global trade rebound early and start ordering and hiring on time.

At Intertek, we are supporting our 400,000 customers as they work to synchronise their sourcing, production and logistics activities to get their supply chains back to normal and service their clients.

The supply chain disruption within our clients' eco-systems is highly complex and everybody is working hard but it will take time before the global supply chain is back to normal. I met many of our customers in 2021 who share a common learning from this significant disruption to the global supply chain: they have been operating with substantial intrinsic risks in their supply chains without the right data, processes and independent assurance.

That's why we expect our clients to increase their investments in three key areas:

Resilient supply chains

Covid-19 is proving a catalyst for many corporations to improve the resilience of their supply chains and the major corrective actions our clients are putting in place include:

- Better data on what is happening in all parts of the supply chain;
- Tighter risk management, with razor-sharp business continuity planning;
- A more diversified portfolio of suppliers across all tiers;
- A more diversified portfolio of factories, including on-shoring to both enhance supply chain resilience and reduce the carbon footprint of their operations; and
- Investments in processes, technology and training to improve their supply chain capabilities.

Product and service innovation

We are seeing our clients realise that they need to invest more in product and service innovation to meet the changing needs of their consumers. As a result of the pandemic, corporations have seen consumer expectations change rapidly as they target a brighter, better future.

As a result, corporations need to step up their game in quality, safety, sustainability, convenience and value for money to enhance their products and services.


Sustainability

The sprint to net zero emissions is real, forcing corporations to reinvent how they reduce their carbon footprint, across their operational footprint and how they communicate their progress towards net zero with independently verified carbon-emission claims disclosures that assure transparency and greater accountability.

Our clients' additional investments in these three areas of their quality-assurance activities to build greater resilience, sustainability and safety will deliver additional growth opportunities for Intertek.

All stakeholders in society expect governments and corporations to build back a better world with a sharper focus on end-to-end Quality Assurance, and we expect the \$250 billion global Quality Assurance market to grow faster post-Covid-19.

In short, the world of Quality Assurance, our unique TQA position within it and our emphasis on quality, safety and sustainability, is set to become more exciting than ever, as companies everywhere gear up to meet the needs and expectations of their stakeholders, outperform the competition and attract new customers and investment.

 **You can read more about our latest innovations on page 36 in the Operating Review**

Chief Executive Officer's letter

Continued

Memberships, & ratings

The LEAF Coalition

Lowering Emissions by Accelerating Forest Finance

leafcoalition.org



getnaturepositive.com



msci.com



communicatemagazine.com/awards

Sustainability is the movement of our time

I shared with you in my previous CEO letters why sustainability had become the movement of our time, and recent events have pushed ESG issues ever more firmly into the spotlight.

At Intertek, we live by the same values that our wide range of sustainability services enable our clients to embrace. For example, we are committed to reaching net zero by 2050, and sustainability is at the heart of our 5x5 differentiated strategy for growth, realising sustainability means much more than achieving net zero.

For Intertek, doing business the right way with a systemic approach is the only way to deliver our corporate goals and create sustainable value for all stakeholders. We are therefore committed to leading by example with our own sustainability excellence agenda, implemented in every operation.

We are proud to have been recognised for our leading sustainability credentials with the highest possible 'AAA' ESG rating from MSCI, the world's largest provider of ESG indexes. This provides external validation for the incredible work that our colleagues do every day to support our clients with their own sustainability agendas, as well as being focused on sustainability excellence in our own operations.

We were also humbled to win the Gold Award in the Best CSR/ESG Report category at the 2021 Corporate and Financial Awards. This year, we are taking our Annual Report and Accounts to the next level, producing a report with three distinct sections: Strategic, Sustainability (incorporating Governance) and Financial. This is true to our belief that transparency creates accountability which is what the world needs to be a better place for all future generations.

During the year, we were proud to announce our participation in the LEAF (Lowering Emissions by Accelerating Forest Finance) Coalition, furthering our commitment to a net zero future. LEAF is a new public-private initiative designed to accelerate climate action by providing results-based finance to countries committed to protecting their tropical forests.

We made progress in 2021 in terms of reducing our carbon emissions as you will read in the Sustainability Report and moving forward, we will include yearly carbon emissions reduction targets in short-term incentives for all of our employees.

Our sustainability targets go beyond net zero and we have set targets for the entire organisation in the areas of customers satisfaction, diversity & inclusion, health and safety, compliance, employee turnover and engagement.



At Intertek, we live by the same values that our wide range of sustainability services enable our clients to embrace."

Chief Executive Officer’s letter


Continued

Supporting our clients’ sustainability agendas

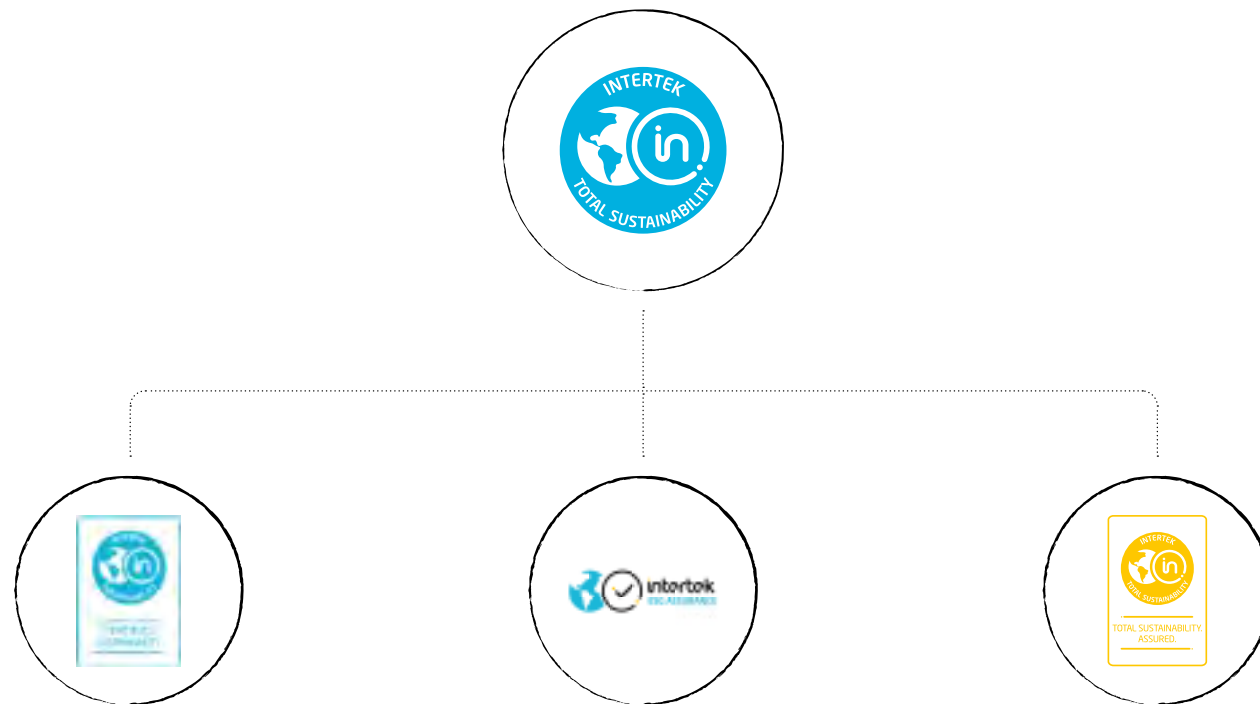
Our clients understand that they have to focus on operational and corporate sustainability matters, and they are asking us to deliver comprehensive solutions that address both aspects. With Intertek Total Sustainability Assurance, we deliver the independent end-to-end assurance our clients need on all aspects of their sustainability journey, helping them achieve sustainability excellence across all aspects of their business.

Intertek Total Sustainability Assurance is a holistic programme that leverages our footprint in more than 100 countries and covers all industries. Our teams of sustainability experts in every major region, whose expertise combines global and local perspectives, are committed to the thought leadership and innovation that set us apart in three distinctive sustainability assurance areas:

1. Intertek Operational Sustainability Solutions
2. Intertek ESG Assurance
3. Intertek Corporate Sustainability Certification

 You can read more about the work we have done with clients on pages 80 to 85 of the Sustainability Report

Total Sustainability Assurance



1. INTERTEK OPERATIONAL SUSTAINABILITY SOLUTIONS

These are designed to help our customers achieve sustainability excellence in all parts of their operations, including across the supply chain. Our broad portfolio of industry-specific and industry-agnostic solutions is continuously evolving, and recent breakthrough innovations include CarbonClear™, CarbonZero™ and SourceClear™.

 [intertek.com/sustainability/operational](https://www.intertek.com/sustainability/operational)

2. INTERTEK ESG ASSURANCE

With this programme, we support our clients on all aspects of their ESG reporting journey and non-financial data needs. Support ranges from strategy setting to preparing reports and providing independent verification of sustainability disclosures and reporting. This allows our customers to communicate with total confidence with their stakeholders on all aspects of their ESG journey.

 [intertek.com/sustainability](https://www.intertek.com/sustainability)

3. INTERTEK CORPORATE SUSTAINABILITY CERTIFICATION

The world’s first independently verified corporate sustainability audit and certification programme is based on the 10 standards that we believe define a truly sustainable organisation from a company strategy and corporate governance perspective. They go beyond the criteria that are commonly looked at by ESG rating agencies to include other factors that stakeholders and investors should consider, including business resilience, risk appetite and enterprise security.

 [intertek.com/sustainability/corporate](https://www.intertek.com/sustainability/corporate)

Chief Executive Officer's letter

Continued

Implementing our 5x5 differentiated strategy for growth

Intertek has the track record of delivering sustainable value creation for all stakeholders which is testament to the strength of our 5x5 differentiated strategy for growth and our commitment to the kaizen principles of continuous improvement.

Our 5x5 differentiated strategy continued to inform our operational priorities in the face of the pandemic and is still doing so as we learn to live with the ongoing impacts of Covid-19.

It is based on five strategic priorities, which are deliverable through five strategic enablers, and is designed to help us achieve five goals:

- Fully engaged employees working in a safe environment;
- Superior customer services across all our Assurance, Testing, Inspection and Certification solutions;
- Margin-accretive revenue growth based on GDP+ organic growth;
- Strong cash conversion from our operations; and
- An accretive, disciplined capital-allocation policy.

Our strategic priorities – through which we will sustain and further extend our global leadership position – are:

- Differentiated brand proposition, positioning us as leader of the global TQA market;
- Superior customer service, making us the most trusted and respected TQA partner;
- Effective sales strategy, continuously improving our margin-accretive revenue growth;
- Growth and margin-accretive portfolio, prioritising investments with high-growth and high-margin prospects; and
- Operational excellence: our 'Ever Better' approach continuously improves efficiency and productivity.

The fact that we have consistently and demonstrably delivered against all these priorities reflects the power of our five strategic enablers:

- Living our customer-centric culture;
- Disciplined performance management;
- Superior technology;
- Energising our people; and
- Delivering sustainable results.

Investing in innovation to meet the changing needs of our clients

True to our pioneering spirit, and building on our existing strengths, we will continue to innovate and provide customers with the mission-critical solutions they need. We are investing organically and inorganically to seize the sustained long-term growth opportunities in our industry through a disciplined approach to capital allocation, targeting high-margin and high-growth areas that in turn accelerate margin-accretive revenue growth.

Intertek has been a pioneer in the industry, providing new innovative solutions to our clients capitalising on the Science-based Customer Excellence and the creativity of our organisation.

Our focused approach to innovation uses our proven three-tiered method: 'core', building on strengths of existing products and services; 'adjacent', expanding into fast-growing and high-margin markets; and 'breakthrough', developing innovative products and services.

We have brought many innovations to market under all these headings. Examples of core innovations include Facility Health Management ('FHM'), part of our Protek™ offering, which focuses on health, hygiene, safety and risk management. Protek FHM's science-based audit helps our customers reduce the risks of pathogen transmission and enhances their buildings' air quality, controls costs and risks, and increases employee and customer comfort.

We also added new and enhanced features to our market-leading supply chain compliance solution Inlight 2.0, that enables organisations to manage increasingly complex supply chain risks, empowering them to bring visibility to the workings of their vendor partners and turn potential disruptions and compliance irregularities to their competitive advantage.

In August we opened our new Minerals Global Centre of Excellence in Perth, Western Australia as a key hub for the minerals and mining industry. With more than 500 employees, this state-of-the-art laboratory gives our customers access to trusted sustainability expertise in mineral testing, inspection and analysis.

Examples of adjacent innovations include WindAware, an actionable data-mining SaaS platform launched at the beginning of the year. This data intelligence solution helps wind asset owners and operators make informed decisions in real time to optimise performance and maximise their asset life cycle.

In November, we formally opened our new Electric Vehicle Centre of Excellence for high-voltage EV propulsion systems in Milton Keynes, UK. This state-of-the-art testing centre will further enhance our offering to automotive companies in the fast-developing world of electric and hybrid vehicles.

Examples of breakthrough innovations include CarbonClear™, the world's first independent carbon-intensity certification programme, and SourceClear™, a new technology platform that provides visibility and traceability across the full range of supply chain relationships.

In April, we announced the launch of Intertek CarbonZero™, our new independent carbon-neutral certification for products and services. We subsequently issued the first Intertek CarbonZero™ Verified certification to Lundin Energy, representing the world's first certified carbon-neutral oil trade.

All these innovations and many more performed exceptionally well in 2021, underlining how we have created and maintained our leadership position. And it is by continuing to invest and innovate that we will further extend our lead in the years ahead.

You can read more about these and other innovations in the Operating Review on page 36



You can read more about our new Minerals Global Centre of Excellence on page 43



You can read more about our new Electric Vehicle Centre of Excellence on page 39

Chief Executive Officer's letter
Continued

Seizing new ATIC growth opportunities through strategic acquisitions

We are also targeting inorganic investments with attractive M&A opportunities that strengthen our ATIC portfolio in high-margin, high-growth areas. During the year we made two important acquisitions: SAI Global Assurance and JLA Brasil Laboratório de Análises de Alimentos S.A., which are excellent examples of investments in complementary businesses.

SAI Global Assurance is a highly complementary, capital-light and high-margin Quality Assurance business. It adds strongly to our existing strengths in industries like Food, Quick-Service Restaurants ('QSR') and Forestry and expands our business in Australia, USA, Canada and China. In addition, it has an excellent Standards business, which will help our clients traverse a fast-changing and increasingly complex regulatory environment.

JLA expands our existing Food and Agri Assurance capabilities into the attractive food-testing market in Brazil, which is one of the world's largest agri-food exporters.

We strongly believe in the benefit of scaling up organic and inorganic investments with a disciplined performance management approach and I am pleased to report that in 2021 our teams have made excellent progress leveraging the investments made in the last few years as evidenced by our strong return on capital.



We are passionate about always being there for our customers."

Giving our clients the ATIC advantage

Intertek's pioneering history, which was initiated by founding fathers such as Thomas Edison, has lasted for more than 130 years. But it was only recently, in 2015, that we took a major step for both our company and our industry as a whole.

That is when we redefined the industry as we added Assurance to our Testing, Inspection and Certification ('TIC') solutions to create ATIC; an end-to-end, fully integrated portfolio of services that gives clients complete peace of mind across their operating systems, quality-management systems and supply chains.

We call this Total Quality Assurance ('TQA'), as our clients benefit from risk mitigation at every stage of their operations.

Our unique ATIC proposition brings to life our commitment to always taking customer service to the next level. While we recognise that TIC will remain very important for our clients moving forward, we also understand that it is no longer sufficient in a world where global trade was exponentially adding complexity to our clients' supply chains. Introducing Assurance was therefore an essential step forward to provide our clients with a superior customer service.

Today, Assurance is at the cutting edge of our value proposition and Intertek is the only company in the world providing a truly global TQA portfolio, delivered with precision pace and passion, and enabling our customers to power ahead safely.

We are proud of having provided our clients with our TQA approach since 2016 as we have helped them build stronger businesses and importantly given them the ATIC advantage they need to operate safely.

We truly believe that risk-based Quality Assurance powered by our unique ATIC solution is the future of our industry.

Building Back Ever Better in our communities

Each of our operations is part of a local ecosystem and I want to close my yearly letter with what we did in 2021 to take our community work to the next level and ultimately make the world ever better.

During the year, we launched the #BBEB platform, bbeb.com, with the intention of creating "a truly Glo-cal community-based movement to help people in their local community space to inspire friends, family and public institutions to Build Back an Ever Better world".

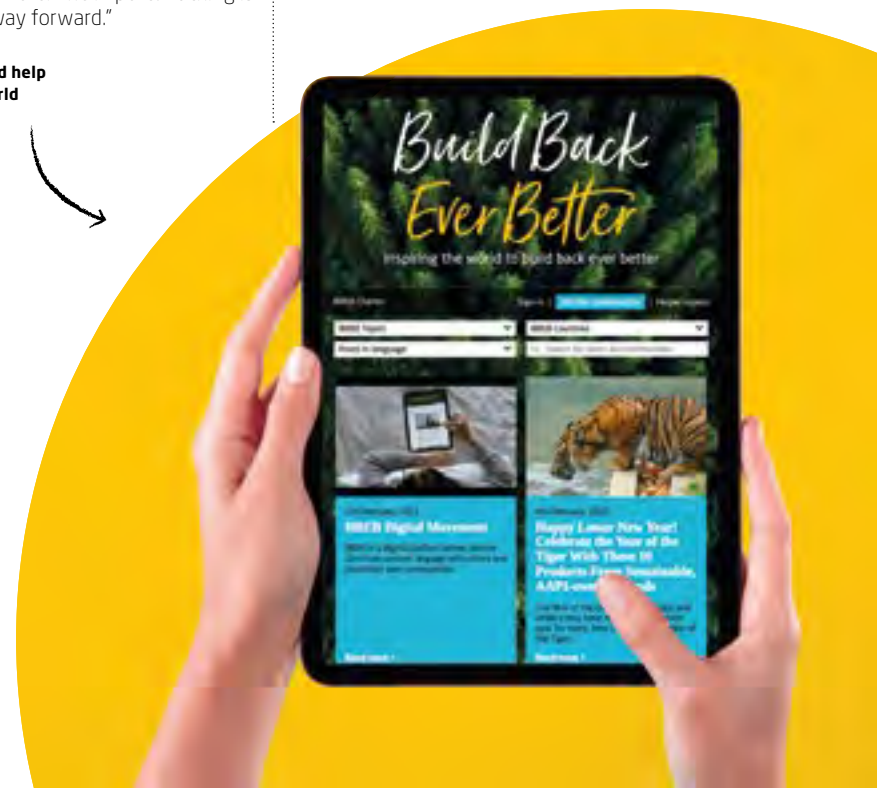
This is what the BBEB charter says: "BBEB is the place that makes it easy for anyone to be active on our platform, inspiring them to build back ever better by making step by step sustainable progress in the community, have a voice, to launch ideas that can make the world better, no matter how big or small. It could be anything from organising a beach clean or litter pick, creating a new recycling scheme, supporting clean energy, urban regeneration, helping others in need and much more. The important thing is that it's simply a better way forward."

 **Join BBEB.com today and help build an Ever Better World**



Today, our multilingual site carries thousands of powerful stories posted by individuals across the world, highlighting inspirational initiatives from individuals, groups, communities, organisations and companies, all with the ambition of creating positive change by demonstrating what can be achieved with the right determination, focus and energy.

Since its launch at the end of March, our BBEB community digital space has been a big success.



Chief Executive Officer's letter
Continued



We can proudly say that Intertek is an amazing force for good in the world."

An amazing force for good

We are a purpose-led business, in which our 44,000 colleagues are united by their shared belief in the urgent need to make the world an ever-better and ever-safer place for everybody.

We are in the early stages of a 'new normal' and are observing new trends and behaviours, as well as demand for products and services that didn't exist prior to the pandemic. Consumers want more sustainable products, supply chain simplicity, visibility and traceability of goods, new solutions for hygiene, health and wellbeing, as well as lower carbon emissions.

Our clients equally recognise that they need us more than ever before in the face of this increasing consumer and regulatory demand to deliver products and services that are better, safer and more sustainable than anything that has gone before.

Moving forward, I therefore expect the global market for our ATIC services to grow faster than ever before.

As the global leader in risk-based Quality Assurance we are well positioned to benefit from our clients' increased investments in Total Quality Assurance to make their businesses stronger.

Our USP is our Science-based Customer Excellence in quality, safety and sustainability that enables us to provide our 400,000 clients with our leading ATIC solutions in Products, Trade and Resources in more than 100 countries.

We are deeply committed to our sustainability agenda and we will continue delivering sustainable value for all our stakeholders; customers, employees, suppliers, shareholders, regulators and our communities.

We can proudly say that Intertek is an amazing force for good.

André Lacroix
Chief Executive Officer

Our 5x5 strategy

Leveraging our 5x5 differentiated strategy for growth

5x5

Our differentiated 5x5 strategy continued to inform our operational priorities through the face of the Covid-19 pandemic and continues to do so. It is based on five strategic priorities, which are deliverable through five strategic enablers, and is designed to help us achieve five goals.



1

Fully engaged employees

Fully engaged employees working in a safe environment.

2

Superior customer service

Superior customer service in Assurance, Testing, Inspection and Certification.

3

Margin-accretive revenue growth

Margin-accretive revenue growth based on GDP+ organic growth.

4

Strong cash conversion

Strong cash conversion from operations.

5

Disciplined capital allocation

Accretive, disciplined capital allocation policy.

Our 5x5 Strategy
Continued

Our 5
strategic
priorities

 Differentiated brand proposition


We are focused on developing a strong and differentiated brand, to position Intertek as the global market leader in Total Quality Assurance ('TQA').

 Superior customer service

Delivering the highest standards of customer service is at the heart of our journey to being the world's most trusted TQA partner.

 Effective sales strategy

Driving continuous improvement in margin-accretive revenue growth demands a structured and disciplined approach to sales effectiveness that is increasing leads and conversion rates.


 Growth and margin-accretive portfolio

Prioritising investments with high-growth and high-margin prospects which help us to deliver maximum value.


 Operational excellence

An 'ever better' approach to continuously improving our efficiency and productivity through quality management and operational excellence.

Our 5
strategic
enablers

 Living our customer-centric culture

Strong spirit of entrepreneurship, a customer-focused mindset and engagement at all levels of the organisation.

 Disciplined performance management

Financial and non-financial metrics and processes focusing on margin-accretive revenue growth and strong cash conversion.

 Superior technology

Improving the customer experience, leveraging back office synergies and delivering superior business intelligence.

 Energising our people

Through investments in their capabilities, providing a fully aligned reward system and promoting internal growth.

 Delivering sustainable results

Providing growth for our customers and shareholders and recognising the importance of sustainability for the wider community.

Investment case

Why invest?

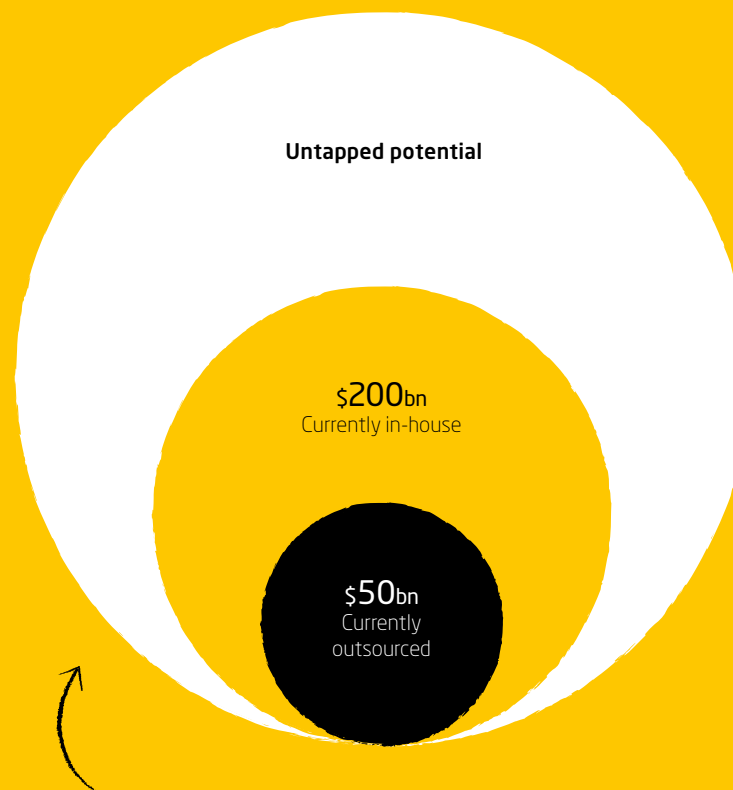
Intertek has a proven history of growth, innovation, disciplined portfolio management and operational excellence. Alongside the energy, agility and innovation of our colleagues around the world, we are uniquely well-positioned to capitalise on the growth opportunities ahead.

Global ATIC market

Our unique offering means we are well-placed to take advantage of the huge growth opportunities in the global ATIC market.

\$250bn

Global ATIC market



Sustainable shareholder value

We have a strong track record of shareholder value creation, and the sustainability of our results is a tribute to the quality of our earnings model, the trusted relationships we have with our clients, the strength of our Total Quality Assurance ('TQA') customer service, the leading expertise of our 44,000 colleagues, and our passionate and customer-centric culture.

We continued to invest in our business in 2021, both organically and inorganically, and have finished the year with a strong financial position (net debt to EBITDA at 1.1x).

Growth opportunities

As our customers' operations and supply chains become more complex while the world recovers from Covid-19, we are helping them tackle unprecedented levels of risk. There are even greater growth opportunities in the market for Intertek's TQA services, and attractive industry-consolidation opportunities. With our unique offering and current network serving 400,000 clients around the world, we are in the ideal position to attract a substantial share of the market potential.

We estimate that only US\$50 billion of the US\$250 billion ATIC market is currently outsourced, presenting an opportunity to capture a share of US\$200 billion.

Portfolio strategy

Intertek's focus is on high-margin, high-return sectors. This guides where we invest for growth in terms of our scale businesses – those likely to produce the fastest growth to come from or drive margin improvement – and targeted, value-enhancing acquisitions. We underpin this with our highly disciplined approach to performance management, based on a unique dashboard that addresses key financial metrics, such as revenue growth, margin, and investments in growth.

Our M&A focus is on companies with attractive growth and margin prospects, strong IP and market positions, and a highly cash-generative business model.

Investment case

Continued

High-quality earnings model

Our high-margin, cash-generative earnings model is at the core of what makes us successful. It is based on the delivery of our unique TQA value proposition. The profitable delivery of ATIC services to customers operating in the structurally attractive Products, Trade and Resources sectors is dependent on our capital-light business model and entrepreneurial culture, which also enables us to respond quickly to new growth opportunities.

To maximise returns, we continue to invest in high-growth, high-margin areas and maintain a disciplined approach to capital allocation.



Customer-led innovation

We believe that the real fuel for innovation is insight – which means having a deep understanding of what our customers need and want. Through our NPS programme, we carry out 6,000 customer interviews every month. With the ability to access world-class customer intelligence site-by-site from anywhere across our global network, we have a continuous stream of data that enables us to build on our insights and use this to develop new ATIC solutions.

We are constantly learning from our customers, using their extensive feedback to help us deliver 'ever better' solutions to their evolving requirements.

Operational excellence

We take a disciplined approach to performance management, measuring progress against a range of operational metrics and using data intelligence to understand our customer service levels and turnaround times. This approach, alongside a dedicated focus on quality across every site, is crucial to our continuous improvement, underpinning our operational and health and safety excellence, and ultimately ensuring that our customers receive a superior service.

We create a positive atmosphere where our people feel fully engaged in a safe working environment, and this ensures that they are ready to support our clients 24/7.

Our business model

How Intertek is...

Doing business the right way with a systemic approach is the only way to deliver our corporate goals and create sustainable value for all stakeholders.

...well positioned to seize growth

1

Who we are

[More on page 19](#)

We are passionate about our purpose and committed to being 'ever better'. Our core strength is our people and sustainability is central to everything we do.

2

What we do

[More on page 20](#)

Intertek's unrivalled Total Quality Assurance is delivered consistently with precision, pace and passion. This is what makes us different.

3

Our sectors

[More on page 21](#)

We concentrate our capabilities into three attractive growth and high-margin sectors - Products, Trade and Resources.

4

How we do it

[More on page 22](#)

We provide industry-leading solutions by building trusted relationships based on listening to our customers and investing in our global network.

5

The value we create

[More on page 23](#)

We are a force for good in the world, and our solutions create meaningful and sustainable long-term value for a broad range of stakeholders.

Our business model
Continued

1 Who we are

Doing business the right way.

We are passionate about our purpose. Striving to make the world a better, safer and more sustainable place for all, now and for future generations.

As the world changes, supply chains are rapidly growing in size and complexity, bringing unprecedented levels of risk. As a result, it can become more difficult for businesses to operate safely and sustainably while delivering quality products and services. In these challenging times, companies need a trusted partner, which is why we provide our clients with a unique risk-based approach to Quality Assurance. We call this Total Quality Assurance – and only Intertek offers it.

Our Purpose

Bringing quality, safety and sustainability to life.

Our Vision

To be the world's most trusted partner for Quality Assurance.

Ever better


As a company we are committed to becoming 'ever better' in everything we do. That means more than simply seeking ways to constantly improve our operations for enhanced efficiency and effectiveness. It means we're continuously researching and innovating to improve our services, enabling our 400,000 clients to become 'ever better' too.

Our people, culture and values






Our core strength is, and always will be, our people. Ultimately, it's the way our colleagues combine passion and innovation with customer commitment that does most to set us apart.

Our decentralised operating culture is built around strong values. These values are inspirational and help us to drive sustainable growth for all. They guide our behaviours every single day, underpinning the way we work, guiding decision making and connecting colleagues across the world.

Sustainability is central to everything we do and we demonstrate our commitments and passion to help our clients make a difference, as well as bettering ourselves every day.

 Read more in the Sustainability Report on pages 62-171

Our Values

-  We are a global family that values diversity.
-  We always do the right thing, with precision, pace and passion.
-  We trust each other and have fun winning together.
-  We own and shape our future.
-  We create sustainable growth. For all.



Our business model
Continued

2 What we do

We bring our clients the benefits of our unique risk-based solution: Total Quality Assurance.

Total Quality Assurance

For more than 130 years, Intertek has been innovating to mitigate risk and bring quality and safety to organisations. From our beginnings, certifying grain cargoes and then testing and ensuring the safety of Thomas Edison's products, we have become a global force for good: the industry leader in quality, safety and now sustainability as well.

The work we do today covers everything from testing toys to inspecting power stations, from certifying vaccines to providing end-to-end Quality Assurance across every aspect of an organisation's operations and supply chain. Our innovation-led, end-to-end Total Quality Assurance ('TQA') value proposition supports our clients 24/7, providing a fully integrated portfolio of Assurance, Testing, Inspection and Certification ('ATIC') services that delivers complete peace of mind across all products, services and operating systems.

But the ATIC solutions we offer go beyond the quality and safety of a corporation's physical components, products and assets. They go to the heart of the reliability of their operating processes and quality management. We call this Total Quality Assurance because it enables our clients to mitigate risk at every stage of their operations.

Our TQA customer promise

To become the most trusted partner for Quality Assurance, we have made a promise to our customers: Intertek Total Quality Assurance experts exceed customer expectations with end-to-end quality, safety and sustainability solutions. This sets us apart. Our clients can rely on the consistent quality and accuracy of our work and the speed of our response, as we deliver rapid and accurate feedback. We back this up with our desire and belief in what we do. Together, this means our clients can operate with total peace of mind and power ahead safely with what matters most to them.

Customer Promise

Total Quality Assurance expertise delivered consistently with precision, pace and passion, enabling our customers to power ahead safely.

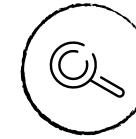
Our ATIC services



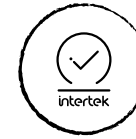
Assurance
Enabling our customers to identify and mitigate intrinsic risk in their operations, their supply and distribution chains and quality management systems.



Testing
Evaluating how our customers' products and services meet and exceed quality, safety, sustainability and performance standards.



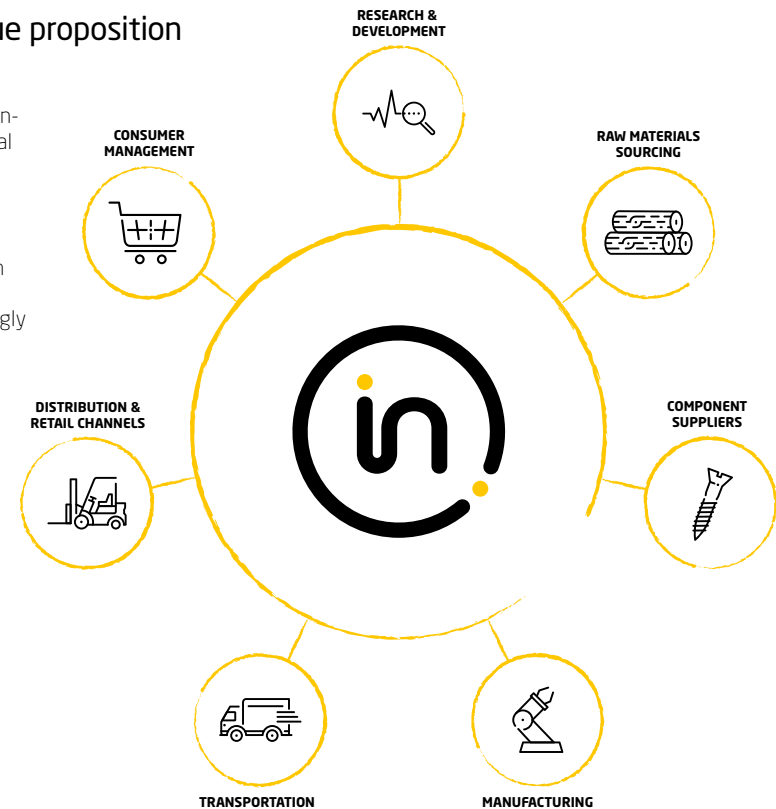
Inspection
Validating the specifications, value and safety of our customers' raw materials, products and assets.



Certification
Formally confirming that our customers' products and services meet all trusted external and internal standards.

Our TQA value proposition

Intertek's innovation-led, end-to-end Total Quality Assurance ('TQA') proposition helps organisations operate safely, effectively and with complete peace of mind in an increasingly complex world.



Our business model

Continued

3

Our sectors

By focusing on the three sectors of Products, Trade and Resources, we concentrate the full power of our innovation capabilities into these attractive growth and high-margin sectors.



Products

More on page 36

Ensuring the quality and safety of physical components and products, and risk assessment of operating processes and quality management systems.

€1,755m

Revenue

(63% of Group) 4.4% at actual rates 9.1% at constant rates

€400m

Adjusted Operating Profit

(84% of Group)

Structural growth drivers

- Growth in brands, SKUs and e-commerce
- Faster innovation cycle
- Higher demand for healthy and sustainably sourced products
- Increased focus on safety, performance and quality
- Increased demand for smart products
- Emerging markets growing middle class



Trade

More on page 40

Protecting the value and quality of products during custody-transfer, storage and transportation, via analytical assessment, inspection and technical services.

€575m

Revenue

(21% of Group) (2.9%) at actual rates 2.8% at constant rates

€52m

Adjusted Operating Profit

(11% of Group)

Structural growth drivers

- Population growth and social mobility
- GDP growth
- Development of regional trade
- Improvements in transport infrastructure
- Increased need for end-to-end traceability
- Increased focus on Operational Sustainability



Resources

More on page 42

Optimising the use of assets in oil, gas, nuclear and power industries and minimising risk in their supply chains through technical inspection, asset integrity management, analytical testing and ongoing training services.

€456m

Revenue

(16% of Group) (2.5%) at actual rates 1.6% at constant rates

€23m

Adjusted Operating Profit

(5% of Group)

Structural growth drivers

- Population growth and social mobility
- Investment in E&P, storage and transportation
- Total Energy with diversified portfolio
- Accelerated transition to renewable energies
- Increased focus on Operational Sustainability
- Digital supply chain management



Our business model
Continued

4

How we do it

As the world of our customers changes, it is becoming more complex and interconnected with increased risks to quality, safety and sustainability. We help them mitigate risk and grow, building trusted relationships, listening to their needs to develop insight and using meaningful data to create innovative TQA solutions.

Regular customer engagement is an essential factor in this work. Around the world, every month we carry out 6,000 customer interviews through our Net Promoter Score ('NPS') programme, which measures the percentage of customers likely to recommend our services. This is a valuable tool in helping us to understand our customers and deliver superior service at every Intertek site.

With 44,063 employees in our global network, based in more than 100 countries, we keep close to our customers and understand their challenges.

Our global network



1,000+
Laboratories and offices



3,000
Auditors



100,000
Audits



44,063
Employees



100+
Countries



80
Languages

Our business model
Continued

5

The value we create

Our purpose is to bring quality, safety and sustainability to life for an ever better world. Here, we explain how we do this for our stakeholders.

To understand how we engage with our stakeholders, and how the Board oversees that engagement, please see our Section 172(1) statement on page 55.

Stakeholder types

People

Our experts embody our TQA culture, ensuring the quality, safety and sustainability of products and services used by millions around the world.



Why they are important to us


Our people are our most valuable asset and are critical to our success. Customer-centric and passionate about what they do, they deliver sustainable value through unmatched expertise and quality of work for our customers every day.

How we engage

We try to create a high performance, growth-oriented and caring culture with clear, transparent communication and regular recognition, in which each colleague has a personal growth plan.

How they have benefitted in 2021

- Talent development
- Consistent performance management approach
- Extensive online learning and development material
- Regular Health and Safety updates
- Engaging employee communication channels
- Leadership development events and networking
- Unique online wellbeing resource 'Kindness'

 To see more on our People, read page 73 of our Sustainability Report

Customers

We deliver innovative and bespoke Assurance, Testing, Inspection and Certification solutions to our customers for their operations and supply chains.



Why they are important to us


Our customers are at the centre of everything we do, and delivering the highest standards of customer service is crucial to us becoming the world's most trusted TQA partner.

How we engage

We continuously engage and build our relationships with customers, and closely analyse our NPS data.

How they have benefitted in 2021

- Ongoing communication, partnership and 24/7 support
- Physical and virtual delivery of TQA solutions
- Use of digital sales technology and best practice analytics to support our customer teams
- Training and webinars from all business lines, covering all industries
- Fast development of innovative risk-based solutions

 To see more on our Customers, read page 80 of our Sustainability Report

Suppliers

Our suppliers provide products and services that help us manage and track the performance in our supply chains.



Why they are important to us


Strong supplier relationships allow us to operate by 'Doing Business the Right Way', and create value for our business, through a better, more resilient, dedicated service, and preferential pricing.

How we engage

We partner with our suppliers to find sustainable ways of using resources efficiently. We carry out regular compliance and risk assessments to build strategic supplier partnerships.

How they have benefitted in 2021

- Ongoing communication and clarity on supplier policies
- Sharing of best practice and learnings, including Covid-19 safety protocols
- Confidential, independent whistleblowing helpline and website
- Supplier performance measurement

 To see more on our Suppliers, read page 169 of our Sustainability Report

Our business model

Continued

Communities



We are focused on achieving a positive impact within the communities where we operate, through our indirect economic impacts, supporting local causes and partnering with charities.

Why they are important to us

Our people come from the communities in which we work. It's part of our passion to want to improve our local environment – to be a force for good close to home.

How we engage

Our businesses regularly engage with and contribute to our communities, and many colleagues support local and charitable causes that reflect the diversity of our communities and people.

How they have benefitted in 2021

- BBEB.com platform to inspire positive change in the world
- Partnerships with charities and NGOs
- Focused activities to improve local communities and environments

🕒 To see more on our Communities, read page 92 of our Sustainability Report

Investors



Our investor stakeholders include all groups that have an interest in the success and sustainability of our global business.

Why they are important to us

Delivering for our investors drives our ongoing success, enabling us to deliver for all stakeholders in the long term.

How we engage

We engage with existing and potential investors and sell-side analysts through regular trading updates, investor conferences and roadshows throughout the year.

How they have benefitted in 2021

- Stock exchange announcements, including financial results
- Investor roadshows, participation in investor conferences
- Meetings and calls
- Annual general meeting
- Succession planning, Board and Executive appointments
- Annual Report, ESG Reporting Index
- Shareholder information on Intertek.com

🕒 For Investor information visit intertek.com/investors

🕒 Read more about our employees' perspective on our culture on page 108



Our business model

Continued

The UN SDGs

Long term impacts

The primary contribution of any business comes through providing jobs, sustaining livelihoods, paying taxes and supporting social and economic development.

Beyond this, we can achieve positive and lasting change by considering our impacts, targeting our response and collaborating across sectors to scale positive contributions.

As a Total Quality Assurance provider, we are in a strong position to align with each of the United Nations Sustainable Development Goals ('UN SDGs') through the internal activities we carry out for our people, in our communities and for the environment, as well as through the sustainability services we provide to our customers.

In 2021, we have continued to look at how the UN SDG targets are associated with individual goals and how our activities can help achieve these targets. There continues to be a concentration on the six most relevant SDGs to the Group, with the inclusion of SDG 8 – 'Decent Work and Economic Growth' due to contributions towards economic growth and productivity through our innovations and SDG 3 – 'Good Health and Wellbeing' due to increased importance to our stakeholders.

[More on our activities can be found on pages 71-94](#)



Quality Education

We are supporting the goal to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, by building more relationships with educational institutions and providing opportunities for young people to engage with our engineers and scientists. We participate in programmes that ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people and children in vulnerable situations.



Gender Equality

Improving gender balance is a priority for us. We continue to focus on gender diversity by attracting, developing and retaining more talented women across the business. We have policies, procedures and initiatives in place to support gender diversity throughout Intertek.

Case study

Inspiring the female engineers of tomorrow

'Introduce a Girl to Engineering Day' is a digital initiative from Womengineer, a Swedish non-profit organisation dedicated to increasing the number of women in engineering.

[Read more about this initiative on page 79](#)



Climate Action

Climate change is one of the greatest threats facing society, but emissions continue to rise. Reducing our own Greenhouse Gas emission is a priority for us, as well as working with our customers to ensure they are resilient to the impacts that a changing climate might bring. Please see our Environmental section for further details of what climate change means to us and the actions we are taking to minimise our impact.

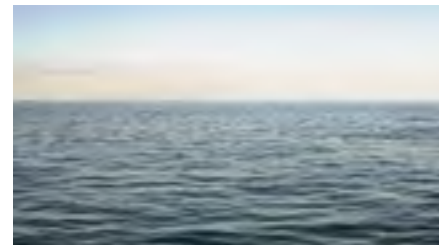


Affordable and Clean Energy

Increasing our energy self-sufficiency improves profitability and energy security. We are assessing our operations for energy and process efficiencies and are investing in solar energy systems, where appropriate, to enable energy diversification. We are also working with clients to deliver their renewable energy products and services.

Case study

Bringing renewable power from Australia to Singapore



Intertek's Energy & Water team is working with Sun Cable, the largest solar energy infrastructure network company in the world, to oversee the quality control and safety of the Australia-Asia PowerLink.

[Read more about this on page 85](#)



Good Health and Wellbeing

To ensure healthy lives and promote wellbeing for all at all ages, we have developed programmes that support the good health and wellbeing of the people within our business as well as deliver these programmes for our customers and communities.

Case study

Spreading Kindness around the world



Our colleagues' safety and wellbeing are our #1 strategic priority, so last year we were delighted to launch a new global wellbeing programme called 'Kindness'.

[Read more about this on page 74](#)




Decent Work and Economic Growth

Our daily operations provide direct, indirect and induced employment for over 44,000 people across 100 countries. We provide training and development opportunities in safe, secure working environments, graduate and apprentice opportunities, programmes for young people experiencing difficulties securing employment, offer equal opportunities to all and value diversity among our employees.

Key performance indicators

Strong returns on invested capital







Disciplined performance management focused on margin-accretive revenue growth with strong cash conversion and accretive capital allocation to drive strong returns on invested capital.

 Definitions to the Key Performance Indicators can be found on page 230

Financial

The Group uses a variety of key performance indicators ('KPIs') to monitor performance and measure the financial impact of the Group's strategy. Where applicable, KPIs are based on adjusted measures in order to provide a meaningful and consistent year-on-year comparison. An explanation and reconciliation of statutory to adjusted performance measures is given on page 32. A glossary of performance measures is provided on page 230.

Non-financial KPIs are shown on pages 28 and 29.

-  Adjusted actual rates
-  Adjusted constant rates
-  Statutory actual rates
-  2021 Adjusted
-  2020 Adjusted
-  Statutory

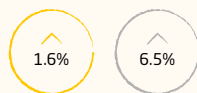
1. Revenue, adjusted operating profit and ROIC are recalculated using 2020 exchange rates to form the basis for Executive Director remuneration, as described in more detail on page 152.
2. Adjusted operating profit, adjusted operating margin, adjusted cash flow from operations, adjusted free cash flow and adjusted diluted earnings per share are stated before Separately Disclosed Items, which are described on page 32. There is no difference between adjusted and statutory revenue.
3. Dividend per share is based on the interim dividend of 34.2p (2020: 34.2p) plus the proposed final dividend of 71.6p (2020: 71.6p).
4. 2020 ROIC has been prepared using 2021 average exchange rates for adjusted operating profit and adjusted tax, and year-end 2021 exchange rates for invested capital. 2020 ROIC at actual rates was 21.6%.

Key performance indicators

Continued

Revenue¹ (£m)

Revenue growth measures how well the Group is expanding its business and includes currency impacts.



2021	2,786
2020	2,742

Operating profit^{1,2} (£m)

Measures profitability of the Group and includes currency impacts.



2021	433	474
2020	378	428

Diluted earnings per share² (pence)

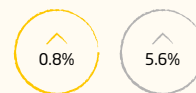
A key measure of value creation for the Board and for shareholders.



2021	177.9	190.8
2020	152.4	170.9

Like-for-like revenue (£m)

Revenue growth, including acquisitions following their 12-month anniversary of ownership and excluding the historical contribution of any business disposals/closures excluding acquisitions and disposals.



2021	2,744
2020	2,722

Operating margin^{1,2} (%)

Measures profitability as a proportion of revenue.



2021	15.5	17.0
2020	13.8	15.6

Dividend per share³ (pence)

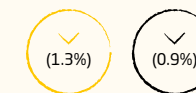
Measures returns provided to shareholders.



2021	105.8
2020	105.8

Cash flow from operations² (£m)

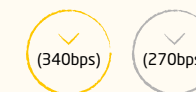
Shows the ability of the Group to turn profit into cash.



2021	679	696
2020	685	705

Return on invested capital at constant rates^{1,4} (%)

Measures how effectively the Group generates profit from its invested capital.



2021	18.2
2020	21.6

Adjusted free cash flow² (£m)

Shows the ability of the Group to turn profit into cash.



2021	401.8
2020	435.6

Key performance indicators

Continued

Non-financial

We measure our success by tracking both non-financial and financial key performance indicators that reflect our strategic priorities. This year we have also reviewed the sustainability areas that are most material and relevant to our stakeholders and we have set ourselves targets in those areas that are aligned to our corporate strategy:

Health and safety

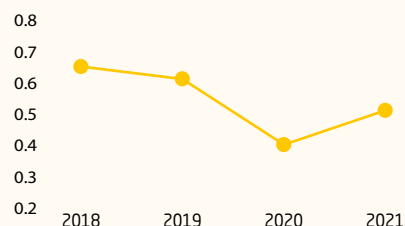
Total lost time Incident Frequency Rate

Cases where one of our colleagues is away from work for one or more shifts as a result of a work-related injury or illness.

Why we measure it

A reduction in lost time incidents is an important measure of the effectiveness of our safety culture. It also lowers rates of absenteeism and costs associated with work-related injuries and illnesses.

Total Recordable Incident Rate ('TRIR')



Target

TRIR of less than 0.5 per 200,000 hours worked

Customer satisfaction

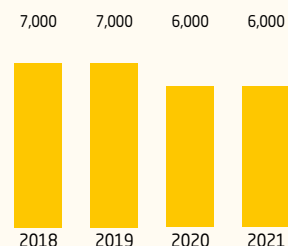
Customer focus

Average number of NPS interviews carried out each month.

Why we measure it

Customers are our priority. Since 2015, we have used the Net Promoter Score ('NPS') process to listen to our customers. These insights give us a deep understanding of what our customers need and want, fuelling our innovations.

Average NPS interviews per month



Target

We will continue to aim to conduct at least 6,000 NPS interviews per month.

Environment

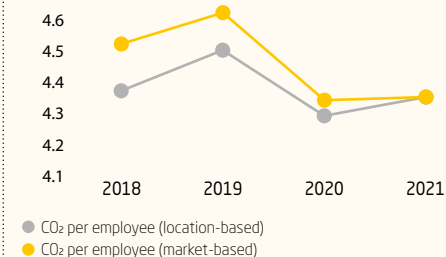
Operational emissions intensity ratio

GHG intensity ratio relating to our Scope 1, 2 and Energy-Related Scope 3 emissions per employee.

Why we measure it

We measure our carbon emissions to reduce our impact on the environment and increase operational efficiency. We track both location-based and market-based Scope 2 emissions.

Operational emissions intensity



Target

Recognising the importance of bold ambitions, we are setting targets to improve environmental performance across our operations, and to clearly demonstrate our commitment we are aligning our business with the most ambitious aim of the Paris Agreement, to limit global temperature rise to 1.5°C above pre-industrial levels and reach net zero by 2050.

Key performance indicators
Continued

Employees

Voluntary permanent employee turnover and employee engagement

Voluntary permanent leavers are employees who choose to leave the Group themselves. This does not include employees on a fixed-term contract.

Intertek ATIC Engagement Index – based on the key drivers of sustainable value creation and which measures engagement on a monthly basis in every operation with the following metrics: Net Promoter Score, Customer Retention, Quality, Voluntary Permanent Employee Turnover and Total Recordable Incident Rate.

Why we measure it

Ensuring employees are engaged is essential to talent retention and we measure and monitor this closely at a global and local level through our voluntary turnover rate.

Employee voluntary turnover


Key financials	2018	2019	2020	2021 ¹	Target
Employee voluntary turnover (% of permanent employees)	14.9	13.8	8.7	13.0	<15.0
ATIC Engagement index score			89%	79.9%	90%

Target

We aim to keep our voluntary permanent turnover rate below 15% and increase our Group Engagement Index to 90%.

1. Excludes JLA and SAI Global Assurance.
2. As defined by the FTSE Women Leaders Review (formerly Hampton Alexander review) to allow year-on-year comparison. This comprises the CEO and his direct reports (N-1).
3. Eligible employees include those with access to the '10X Way!' training platform and those receiving compliance training face to face. This includes employees who are on parental or other forms of long-term leave who accordingly do not complete the training in the period of their leave. New joiners complete training throughout the year as part of their induction.

Diversity and Inclusion

 [Read more about gender balance in our Sustainability Report on page 78](#)

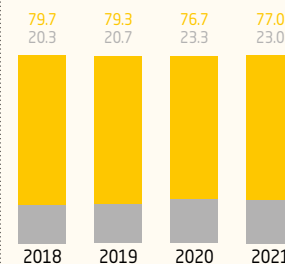
Gender balance

Percentage of women in senior management roles (Leadership Team² and their direct reports).

Why we measure it

We promote diversity in all its forms, including gender parity, sexual orientation and disability, as well as having an ethnic and social makeup that reflects broader society. Achieving better gender balance is a driver of progress.


Women in senior management



Target

We aim to increase the proportion of women in senior leadership roles to 30% by 2025.

Compliance

 [Read more about compliance training in Risk management on page 168](#)

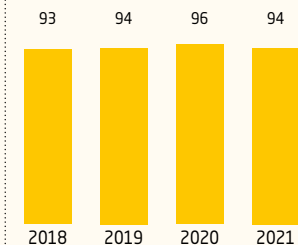
Compliance training

Completion of annual compliance training by eligible employees³ (online or face to face, when available) during the training window.

Why we measure it

Our commitment to the highest standards of integrity and professional ethics is embedded in the Group's culture through the integrity principles set out in our Code of Ethics. Every year, to support continuing understanding in this area, all of our people are required to complete our comprehensive training course.

Training completion by eligible employees



Target

We aim to achieve 100% completion of our annual compliance training by eligible employees.

Financial review

Strong progress delivering revenue and margin growth



Jonathan Timmis
Chief Financial Officer

Highlights

£2,786m

Revenue up
1.6% 6.5%

£474m

Adjusted operating profit up
10.8% 15.4%

17.0%

Adjusted operating margin up
140bps 130bps

105.8p

Dividend per share in line with PY

£402m

Adjusted Free Cash Flow down
(7.8%)

£433m

Statutory operating profit up
14.5% 19.6%

15.5%

Statutory operating margin up
170bps 170bps

177.9p

Statutory diluted EPS up
16.7% 22.4%

Negative Working Capital

24.4%

Organic Return on Invested Capital up
280bps

• Actual rates
• Constant rates

//

We have made strong progress in 2021 across revenue, margin, earnings and cash reflecting the effectiveness of our performance approach and the high quality of our earnings model. Thanks to our cash discipline, we have reduced our negative working capital further and delivered a strong FCF generation."

Consolidated income statement commentary

Total reported Group revenue has increased by 1.6%, with 0.9% growth contributed by acquisitions, a lfl revenue increase of 5.6% and a decrease of 490bps from foreign exchange, reflecting sterling appreciation against most of the Group's trading currencies.

The Group's like-for-like revenue reflected 7.6% growth in the Products division, 3.0% growth in the Trade division and 1.7% growth in the Resources division at constant rates.

The Group's adjusted operating profit was £473.9m, up 15.4% at constant rates and 10.8% at actual rates. The adjusted operating margin was 17.0%, an increase of 130bps from the prior year at constant rates.

The Group's statutory operating profit after SDIs for the period was £433.2m (2020: £378.2m), up 19.6% at constant rates and statutory margin was 15.5% (2020: 13.8%). The Group's statutory profit for the year after tax was £306.7m (2020: £262.6m).

Net financing costs

Adjusted net financing costs were £28.4m, a decrease of £6.5m on 2020 resulting from a combination of lower interest expense and the impact of foreign exchange rates. This comprised £1.5m (2020: £1.1m) of finance income and £29.9m (2020: £36.0m) of finance expense. Statutory net financing costs of £19.8m included £8.6m income (2020: £0.6m) relating to SDIs.

Tax

The adjusted effective tax rate was 26.5%, an increase of 1.0% on the prior year (2020: 25.5%). The tax charge, including the impact of SDIs, of £106.7m (2020: £81.3m), equates to an effective rate of 25.8% (2020: 23.6%), the increase mainly driven by a prior year credit in 2020. The cash tax on adjusted results was 22.9% (2020: 23.3%).

Financial review

Continued

Results for the year		
Key financials	2021 £m	2020 £m
Adjusted		
Revenue	2,786.3	2,741.7
Operating profit	473.9	427.7
Diluted EPS	190.8	170.9p
Profit after tax	327.5	292.6
Cash flow from operations	695.8	705.1
Statutory		
Revenue	2,786.3	2,741.7
Operating profit	433.2	378.2
Diluted EPS	177.9	152.4
Profit after tax	306.7	262.6
Cash flow from operations	679.2	685.2
Dividend per share	105.8p	105.8p
Dividends paid in the year	170.6	170.4

Earnings per share

Adjusted diluted earnings per share ('EPS') at actual exchange rates was 11.6% higher at 190.8p (2020: 170.9p). Diluted EPS after SDIs was 177.9p (2020: 152.4p) per share and basic earnings per share after SDIs was 178.7p (2020: 153.6p).

Dividend

Reflecting the Group's strong cash generation in 2021, the Board recommends a full year dividend of 105.8p per share, in line with prior year.

The full year dividend of 105.8p represents a total cost of £170.6m or 55% of adjusted profit attributable to shareholders of the Group for 2021 (2020: £170.8m and 62%). The dividend is covered 1.8 times by earnings (2020: 1.6 times), based on adjusted diluted earnings per share divided by dividend per share.

Five-year performance – Adjusted Diluted EPS¹ (pence)

+2.6% CAGR³

2021	190.8
2020	170.9
2019	212.5
2018	198.3
2017	191.6
2016	167.7

Dividend per share² (pence)

+11.1% CAGR³

2021	105.8
2020	105.8
2019	105.8
2018	99.1
2017	71.3
2016	62.4

1. Presentation of results: To provide readers with a clear and consistent presentation of the underlying operating performance of the Group's business, some figures discussed in this review are presented as adjusted, before Separately Disclosed Items (see note 3 to the financial statements). A reconciliation between adjusted and statutory performance measures is set out overleaf. Figures before 1 January 2019 (when IFRS 16 was adopted) are on an IAS 17 basis.
2. Dividend per share for 2021 is based on the interim dividend paid of 34.2p (2020: 34.2p) plus the proposed final dividend of 71.6p (2020: 71.6p).
3. CAGR represents the compound annual growth rate from 2016 to 2021.

The underlying performance of the business, by division, is shown in the table below:

	Notes	Revenue		Adjusted operating profit			
		2021 £m	Change at 2021 actual rates %	Change at constant rates %	2021 £m	Change at 2021 actual rates %	Change at constant rates %
Products	2	1,755.3	4.4	9.1	399.7	13.7	18.0
Trade	2	575.4	(2.9)	2.8	51.6	9.6	17.3
Resources	2	455.6	(2.5)	1.6	22.6	(22.1)	(18.7)
Group total		2,786.3	1.6	6.5	473.9	10.8	15.4
Net financing costs	14				(28.4)		
Adjusted profit before income tax					445.5	13.4	18.7
Adjusted income tax expense	6				(118.0)		
Adjusted profit for the year					327.5	11.9	17.1
Adjusted diluted EPS (pence)	7				190.8	11.6	16.8

Financial review

Continued

Acquisitions and investment

One of the key corporate goals of the Group's 5x5 strategy is delivering an accretive, disciplined capital-allocation policy.

As a result, the Group invests both organically, and by acquiring or investing in complementary businesses to strengthen our portfolio in the locations demanded by clients. This approach enables the Group to focus on those existing business lines or countries with good growth and margin prospects where we have market-leading positions or to enter new exciting growth areas offering the latest technologies and Quality Assurance services.

Acquisitions

The Group completed two main acquisitions in the year (2020: none) with cash consideration paid of £480.9m (2020: nil), net of cash acquired of £15.8m (2020: nil).

In July 2021, the Group acquired JLA Brasil Laboratório de Análises de Alimentos S.A. ('JLA'), a market-leading independent provider of Food, Agri and Environmental testing solutions based in Brazil. The acquisition of JLA presents a compelling opportunity to enter the fast growing and highly attractive food testing sector in Brazil, which is one of the largest markets globally in terms of agri-food and beverage production value.

In September 2021, the Group acquired SAI Global Assurance ('SAI'), a leading provider of Assurance services, including management systems certification and second party audits across a wide variety of end markets to more than 60,000 customers in c.130 countries. SAI Global Assurance is the market leader in assurance in Australia and has scale positions in US, Canada and the UK and a fast-growing business in China.

The acquisition of SAI Global Assurance will further strengthen Intertek's Assurance offering by providing additional scale, enhanced geographic coverage and new capabilities. Specifically, we will benefit post acquisition from a stronger market position in Australia, the USA, Canada, the UK and China, and an expanded service capability in attractive end-markets.

In 2021, £10.9m (2020: £0.5m) was spent in relation to consideration for prior year acquisitions.

Organic investment

The Group also invested £97.1m (2020: £79.8m) organically in laboratory expansions, new technologies (including software) and equipment and other facilities. This investment represented 3.5% of revenue (2020: 2.9%).

Pensions

The Group's pension moved to a net surplus of £1.4m (2020: £12.1m deficit) driven by periodic updates to our actuarial assumptions.

Separately Disclosed Items ('SDIs')

A number of items are separately disclosed in the financial statements as exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's business. Reconciliations of the statutory to adjusted measures are given below.

When applicable, these SDIs include amortisation of acquisition intangibles; impairment of goodwill and other assets; the profit or loss on disposals of businesses or other significant fixed assets; costs related to acquisition activity; the cost of any fundamental restructuring of a business; material claims and settlements; and unrealised market or fair value gains or losses on financial assets or liabilities, including contingent consideration.

Adjusted operating profit excludes the amortisation of acquired intangible assets, primarily customer relationships, as we do not believe that the amortisation charge in the income statement provides useful information about the cash costs of running our business as these assets will be supported and maintained by the ongoing marketing and promotional expenditure, which is already reflected in operating costs.

Amortisation of software, however, is included in adjusted operating profit as it is similar in nature to other capital expenditure. In the prior year, costs of restructuring as part of our 5x5 differentiated strategy were excluded from adjusted operating profit. There have been no such costs in 2021. The impairment of goodwill and other assets that by their nature or size are not expected to recur, the profit and loss on disposals of businesses or other significant assets and the costs associated with successful, active or aborted acquisitions are excluded from adjusted operating profit in order to provide useful information regarding the underlying performance of the Group's operations.

The SDIs charge for 2021 comprises amortisation of acquisition intangibles of £29.3m (2020: £28.1m); acquisition and integration costs relating to successful, active or aborted acquisitions of £11.4m (2020: £2.4m); and restructuring costs of £nil (2020: £19.0m).

Further information on SDIs is given in note 3 to the financial statements.

2021 reconciliation of statutory to adjusted performance measures

£m	Statutory	SDIs	Adjusted
Revenue	2,786.3	-	2,786.3
Operating profit	433.2	40.7	473.9
Operating margin (%)	15.5%	1.5%	17.0%
Net financing costs	(19.8)	(8.6)	(28.4)
Income tax expense	(106.7)	(11.3)	(118.0)
Profit for the year	306.7	20.8	327.5
Cash flow from operations	679.2	16.6	695.8
Basic EPS (pence)	178.7p	12.9p	191.6p
Diluted EPS (pence)	177.9p	12.9p	190.8p

2020 reconciliation of statutory to adjusted performance measures

£m	Statutory	SDIs	Adjusted
Revenue	2,741.7	-	2,741.7
Operating profit	378.2	49.5	427.7
Operating margin (%)	13.8%	1.8%	15.6%
Net financing costs	(34.3)	(0.6)	(34.9)
Income tax expense	(81.3)	(18.9)	(100.2)
Profit for the year	262.6	30.0	292.6
Cash flow from operations	685.2	19.9	705.1
Basic EPS (pence)	153.6p	18.6p	172.2p
Diluted EPS (pence)	152.4p	18.5p	170.9p

Financial review

Continued

Key performance indicators

The Group uses a variety of key performance indicators ('KPIs') to monitor the financial performance of the Group and its operating divisions. The specific metrics and associated definitions are disclosed on pages 26 to 27.

Like-for-like revenue at constant currency is presented to show the Group's revenue excluding the effects of the change in the scope of the consolidation (acquisitions following their 12-month anniversary of ownership, and removes the historical contribution of any business disposals/closures) and removing the impact of currency translation from the Group's growth figures.

Like-for-like revenue at constant currency			
	2021 £m	2020 £m	Change %
Reported revenue	2,786.3	2,741.7	1.6
less: Acquisitions/disposals revenue	(42.3)	(20.1)	
Like-for-like revenue	2,744.0	2,721.6	0.8
Impact of foreign exchange movements	-	(123.4)	
Like-for-like revenue at constant currency	2,744.0	2,598.2	5.6

The rate of Return On Invested Capital ('ROIC'), defined as adjusted operating profit less adjusted taxes divided by invested capital, measures the efficiency of Group investments. This is a key measure to assess the efficiency of investment decisions and is also an important criterion in the decision-making process.

ROIC in 2021 of 18.2% compares to 20.9% in the prior year at constant exchange rates (2020: 21.6% at actual exchange rates). The acquisition of SAI Global in September 2021 has resulted in a decline in ROIC given the relative contribution of the acquisition since the acquisition date. Organic ROIC of 24.4% is up 350bps at constant exchange rates.

Return On Invested Capital at constant currency

	2021 £m	2020 £m	Change %
Adjusted operating profit	473.9	410.5	15.4
less: Adjusted tax ¹	(125.5)	(104.7)	19.9
Adjusted profit after tax	348.4	305.8	13.9
Invested capital ²	1,912.7	1,462.7	30.8
ROIC %	18.2%	20.9%	(270bps)

1. Calculated by applying the adjusted effective tax rate (2021: 26.5%, 2020: 25.5%) to adjusted operating profit.
2. Net assets excluding tax balances, net financial debt and net pension liabilities.

Cash flow and net debt

Cash flow

The Group relies on a combination of debt and internal cash resources to fund its investment plans. One of the key metrics for measuring the ability of the business to generate cash is cash flow from operations. Due to the cash payments associated with the SDIs, and to provide a complete picture of the underlying performance of the Group, adjusted cash flow from operations is shown below to illustrate the cash generated by the Group:

Cash conversion

	2021 £m	2020 £m	Change %
Cash flow from operations	679.2	685.2	(0.9)
add back: Cash flow relating to SDIs	16.6	19.9	
Adjusted cash flow from operations	695.8	705.1	(1.3)
add back: Special contributions to pension schemes	2.0	2.0	-
Repayment of lease liability	(70.4)	(72.0)	2.2
Cash flow for cash conversion	627.4	635.1	(1.2)
Cash conversion %	132.4%	148.5%	(1,610bps)

Free cash flow reconciliation

	2021 £m	2020 £m
Cash flow from operations	679.2	685.2
less: Net capital expenditure	(96.1)	(72.2)
add back: Interest received	1.5	1.1
less: Interest paid	(27.0)	(34.8)
less: Income tax paid	(102.0)	(91.6)
less: Lease liabilities paid	(70.4)	(72.0)
Free cash flow	385.2	415.7
add back: SDI cash outflow	16.6	19.9
Adjusted free cash flow	401.8	435.6

Net debt

The Group ended the period in a strong financial position. Financial net debt was £733.3m, an increase of £313.4m on 31 December 2020, primarily reflecting the acquisition of SAI in September and related financing. The undrawn headroom on the Group's existing committed borrowing facilities at 31 December 2021 was £564.2m (2020: £494.0m).

Total net debt, including the impact of the IFRS 16 lease liability, was £1,025.6m (2020: £644.1m).

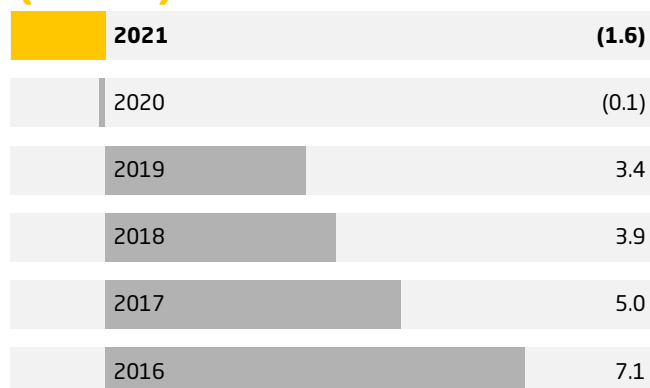
The Group has a well-balanced loan portfolio to enable the funding of future growth opportunities with a maturity profile as shown overleaf.

Financial review

Continued

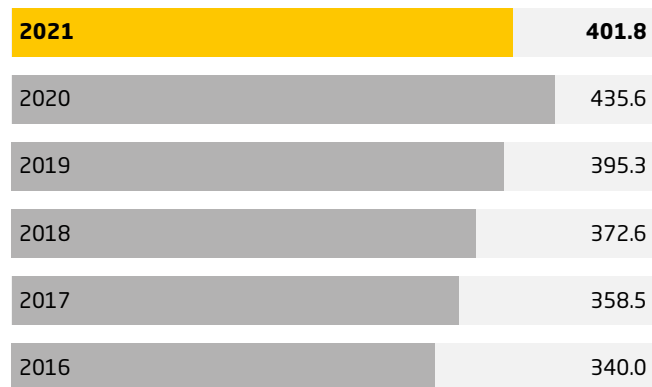
Working capital

During 2021, we have continued our working capital focus and through disciplined performance management, working capital has reduced from negative £4.0m to negative £43.3m. Working capital has declined to (1.6%) of revenue, reflecting 150bps improvement year-on-year, contributing to continued strong cash conversion.

Five-year trend - Working capital¹
as % of revenue**(870)bps**

- Working capital is defined under the statement of financial position within the financial statements.
- Figures before 1 January 2019 (when IFRS 16 was adopted) are on an IAS 17 basis.

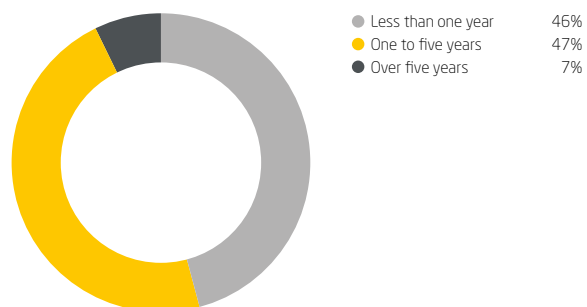
Adjusted free cash flow (£m)

3.4% CAGR¹

- CAGR represents the compound annual growth rate from 2016 to 2021.

Borrowings by maturity profile

(At 31 December 2021)



Under existing facilities, the Group has available debt headroom of £564.2m at 31 December 2021. The components of net debt at 31 December 2021 are outlined below:

	1 January 2021 £m	Cash and non-cash movements £m	Exchange adjustments £m	31 December 2021 £m
Cash ¹	183.4	86.6	(6.0)	264.0
Borrowings ²	(603.3)	(395.8)	1.8	(997.3)
Financial net debt	(419.9)	(309.2)	(4.2)	(733.3)
Lease liabilities ²	(224.2)	(72.0)	3.9	(292.3)
Net debt	(644.1)	(381.2)	(0.3)	(1,025.6)

- As disclosed in note 14, cash includes cash and cash equivalents less overdrafts.
- Borrowings include £3.1m of non-cash movements related to amortisation of facility fees (see note 14 of the financial statements). Lease liabilities include £142.4m of non-cash movements.

Financial review

Continued

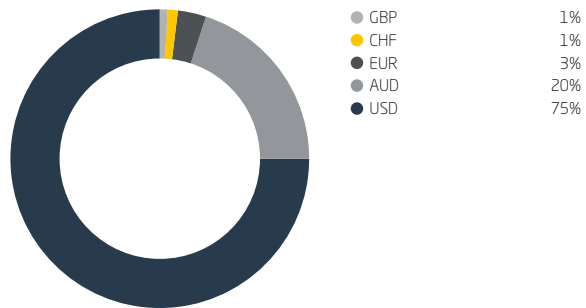
To ensure the Group is not exposed to income statement volatility in relation to foreign currency translation on its debt, the Group ensures that any foreign currency borrowings are matched to the value of its overseas assets in that currency (an 'effective' hedge).

The Group borrows primarily in US dollars and any currency translation exposures on the borrowings are offset by the currency translation on the US dollar and US dollar-related overseas assets of the Group.

The composition of the Group's gross borrowings in 2021, analysed by currency, is as follows:

Borrowings by currency

(At 31 December 2021)



Foreign currency movements

The Group transacts in over 80 currencies across more than 100 countries, and revenue and profit are impacted by currency fluctuations. However, the diversification of the Group's revenue base provides a partial dilution to this exposure.

At constant rates, revenue grew 6.5% (actual rates 1.6%) and adjusted operating profit grew 15.4% (actual rates 10.8%).

The exchange rates used to translate the statement of financial position and the income statement into the Group's functional currency, sterling, for the five most material currencies used in the Group are shown below:

Value of £1	Statement of financial position rates		Income statement rates	
	2021	2020	2021	2020
US dollar	1.35	1.35	1.38	1.28
Euro	1.19	1.10	1.16	1.13
Chinese renminbi	8.59	8.81	8.89	8.88
Hong Kong dollar	10.52	10.47	10.70	9.96
Australian dollar	1.86	1.78	1.83	1.87

Significant accounting policies

The consolidated financial statements are prepared in accordance with IFRS as adopted by the UK. Details of the Group's significant accounting policies are shown in note 1 to the financial statements.

Jonathan Timmis
Chief Financial Officer

Operating review



Products

Strong revenue,
operating profit and
margin

£1,755.3m
Revenue

£399.7m
Adjusted operating
profit

£365.4m
Statutory operating
profit

Intertek Value Proposition

Our Products-related businesses consist of business lines that are focused on ensuring the quality and safety of physical components and products, as well as minimising risk through assessing the operating processes and quality management systems of our customers.

As a trusted partner to the world's leading retailers, manufacturers and distributors, the division supports a wide range of industries including textiles, footwear, toys, hardlines, home appliances, consumer electronics, information and communication technology, automotive, aerospace, lighting, building products, industrial and renewable energy products, food and hospitality, healthcare and beauty, and pharmaceuticals.

Across these industries we provide a wide range of ATIC services including: laboratory safety; quality and performance testing; second-party supplier auditing; sustainability analysis; product assurance; vendor compliance; process performance analysis; facility plant and equipment verification; and third-party certification.

Strategy

Our Total Quality Assurance ('TQA') value proposition provides a systemic approach to support the Quality Assurance efforts of our Products-related customers in each of the areas of their operations. To do this we leverage our global network of accredited facilities and world-leading technical experts to help our clients meet high-quality safety, regulatory and brand standards, develop new products, materials and technologies and ultimately assist them in getting their products to market quicker, in order to continually meet evolving consumer demands.

2021 performance

Our Products business delivered a strong performance in 2021 with revenue, operating profit and margin ahead of 2019.

Revenue of £1,755.3m was up 9.1% at constant rates and 4.4% at actual rates. We delivered an adjusted operating profit of £399.7m up 18.0% at constant rates and 13.7% at actual rates. Our adjusted operating margin of 22.8% was up 180 basis points at constant rates and up 190 basis points at actual rates.

Business lines

Softlines

Providing a range of solutions for textiles, garments, footwear and personal protective equipment

Our role: Our solutions enable fashion retailers, brands and manufacturers to gatekeep regulatory compliance, while continuously improving their product performance in terms of quality, safety and sustainability.

Hardlines

Comprehensive solutions for a wide variety of Toys and Hardgoods

Our role: Solutions for toys, children's and juvenile products, household products, furniture, and office supplies. We help our customers meet regulatory and retailer-specific requirements, improve product performance and differentiation through benchmarking, and facilitate global market access.

Electrical & Connected World

Helping clients meet safety, performance, environmental and quality requirements and delivering best-in-class networking and cyber security solutions for today's wireless and connected devices.

Our role: We bring more than 100 years of product testing and certification expertise to a wide range of industries, such as Medical, Lighting, Energy, Appliances & Electronics, Industrial Equipment, and IT & Telecom Equipment. We also provide comprehensive hardware, software, and cyber security solutions to help clients rapidly launch secure and reliable products in each industry and sector around the world.

Business Assurance

Providing a full range of business process audit and support solutions

Our role: We enable our clients to improve their operations, meet regulatory requirements, mitigate business risks, reduce their environmental impact, qualify their suppliers, and help them achieve their business objectives.

Transportation Technologies

Providing diverse, rapid testing and validation services to the transportation industry

Our role: Our Transportation Technologies expertise is recognised by leading manufacturers worldwide. We evaluate everything from automobiles and energy storage to airplanes, and deliver top-tier testing for emerging markets, such as autonomous and electric/hybrid vehicles.

Food

Providing testing, inspection, auditing, certification and advisory services to food companies

Our role: We help major global brands to launch new food products, support food health initiatives, ensure safety and quality across the supply chain, help reduce food-borne diseases, and enable developing nations to increase their global food exports.

Chemicals & Pharma

Enabling clients' product development, regulatory authorisation and production

Our role: Our analytical and assurance solutions accelerate product development and mitigate risks associated with product quality and safety, processes, and supply chains for the pharmaceutical, chemical, polymer, packaging, medical device, and cosmetic sectors.

Building & Construction

Providing testing, inspection, certification and engineering services to the construction industry

Our role: We offer a full-suite of product-related testing and certification capabilities, plus project-related assurance, testing, inspection, and consulting services that are unparalleled in the building and construction market.

Operating review

Continued

- In H2 2021 our Softlines business delivered a mid-single digit LfL revenue growth, resulting in a double-digit growth in LfL revenue in 2021. Our global Softlines business benefitted from continuous growth in e-commerce, increased demand for testing protective equipment and the reduction in the lockdown activities in some of our markets while we continue to see store closures in Western Europe and North America.
- Our Hardlines business delivered a high-single digit LfL revenue growth in H2 2021, resulting in a double-digit growth in LfL revenue in 2021. Our Hardlines business benefitted from continuous growth in e-commerce, increased consumer demand for home furniture and toys as well as from the reduction in the lockdown activities in some of our markets, while closures of stores in Western Europe and North America continued.
- Our Electrical & Connected World business delivered mid-single digit LfL revenue growth in the second half to register high-single digit LfL revenue growth for the year benefitting from increased ATIC activities driven by greater regulatory standards in energy efficiency, the higher demand for testing and certification of medical devices, the increased testing requirements for 5G and greater corporate focus on cyber security.
- Our Business Assurance business delivered a high-single digit LfL revenue growth in H2 2021 resulting in double-digit LfL revenue growth in 2021. The reduction of lockdown activities has driven a rebound in the number of ISO audits in some of our operations, while we continue to

benefit from the attractive growth in supply chain assurance, the continuous focus on ethical supply, the increased needs of corporations for sustainability assurance and the strong growth in our People Assurance segment.

- Our Building & Construction business delivered a low-single digit revenue in H2 2021, resulting in a stable LfL revenue in 2021. We continue to benefit from the growing demand for more environmentally friendly and higher quality buildings while large infrastructure projects continue to be below last year.
- Our Transportation Technology business delivered a mid-single digit LfL revenue growth in H2 2021, resulting in low-single digit negative LfL revenue. Following the lower demand for testing activities we saw in Western Europe and North America in H1, we started to see in H2 increased investments of our clients in new powertrains to lower CO₂/NOx emissions and increase fuel efficiency.
- Our Food business delivered a high-single digit LfL revenue growth in H2 2021 resulting in a double-digit LfL revenue growth in 2021. We are benefitting from the resumption of the supply operations from our clients in most markets, from the sustained demand for food safety testing activities and the increased demand for hygiene and safety audits in factories.
- In H2 2021, we saw double-digit LfL revenue growth in our Chemical & Pharma business, resulting in double-digit LfL growth in revenue in 2021. We benefitted from an improvement of demand for regulatory assurance and chemical

testing in some of our operations in North America and Western Europe and from the increased R&D investments of the pharma industry.

2022 outlook

In 2022, we expect our Products division to deliver robust LfL revenue growth at constant currency.

Mid- to long-term growth outlook

Our Products division will benefit from mid- to long-term structural growth drivers including product variety, brand and supply chain expansion, product innovation and regulation, the growing demand for quality and sustainability from developed and emerging economies, the acceleration of e-commerce as a sales channel, and the increased corporate focus on risk.



Our TQA value proposition provides a systemic approach to support the Quality Assurance efforts of our Products-related customers in each of the areas of their operations."

Financial highlights 2021

	2021 £m	2020 £m	Change at actual rates	Change at constant rates
Revenue	1,755.3	1,681.6	4.4%	9.1%
Like-for-like revenue	1,713.4	1,663.6	3.0%	7.6%
Adjusted operating profit	399.7	351.6	13.7%	18.0%
Adjusted operating margin	22.8%	20.9%	190bps	180bps
Statutory operating profit	365.4	319.5	14.4%	
Statutory operating margin	20.8%	19.0%	180bps	



Operating review

Continued

Innovation

We continue to invest in innovation to deliver a superior customer service in our Products-related businesses.

Inlight 2.0



What it is: First launched in 2017, Intertek Inlight™ provides the technology and expertise which enables organisations to better understand their supply chain risks and protect their brand. With the integration of Intertek’s Wisetail solution, a dynamic online learning platform, Inlight 2.0 adds new and enhanced analytical improvement to its market-leading supply chain compliance solution, offering organisations enhanced analytics to meet the needs of the evolving complexity of the global supply chain, allowing for increased product advancements, adaptive planning and continual improvement. Inlight 2.0 alongside Wisetail allows organisations to make real-time supplier decisions and drive vendor training based on corrective action plan outputs.

Customer benefit: Inlight 2.0 is a cost-effective solution for global companies who require trusted information about the identities, capabilities and compliance of their supplier partners. Inlight 2.0 allows users more flexibility and customisation in their unique supply chain programmes, including live dashboards of their suppliers’ performance, trends, risks and opportunities, as well as training.

Protek

Clean air and healthy indoor environments



What it is: Protek Facility Health Management takes a comprehensive, practical, and customised approach to the design and operation of indoor environments. Our services include the assessment of unique risks and opportunities, plus efficacy and validation testing that gives confidence to both our customers and their stakeholders.

Customer benefit: With raised awareness of the indoor environmental quality due to the Covid-19 pandemic, and organisations’ needs to protect their people, our science-based approach helps our customers reduce the risks of pathogen transmission and enhance their buildings’ air quality. The bespoke solutions we provide enable health and wellness enhancements across their facilities, mitigate risk, and increase employee and customer comfort and loyalty.

SourceClear

Visibility and traceability across the supply chain



What it is: Intertek SourceClear™ helps organisations track sustainable material claims throughout all stages of trade and production in their supply chain. Our experts provide independent certification of facilities and materials claims and manage the end-to-end process for scope and transaction certificates against Textile Exchange standards including the Recycled Claim Standard, Global Recycled Standard and Organic Content Standard; as well as the Global Organic Textile Standard, the world’s leading processing standard for organic fibre textiles.

Customer benefit: Brands and retailers can confidently demonstrate sustainability commitments through the independent certification of material claims and accurate labelling of products. SourceClear™ enables transparency and assurance that organisations are taking proactive measures to be more sustainable, through responsible sourcing of preferred raw materials that minimise environmental impacts and promote environmental and social good practices in the value chain.





Operating review
Continued

Transportation Technologies Accelerating to net zero with new Electric Vehicle Testing Centre of Excellence

What it is: As we accelerate at a rapid pace into a more sustainable future, the automotive industry has a critical role to play in the energy transition the world needs. Our new award-winning*, state-of-the-art Electric Vehicle Centre of Excellence, opened in November 2021 in Milton Keynes, UK, offers leading automotive manufacturers a unique technology, innovation and experience centre with industry-leading, end-to-end Assurance, Testing, Inspection and Certification (ATIC) services that are purpose-built for the global transition to zero emission vehicles.

Customer benefit: Electric Vehicles offer huge opportunities as part of the 'Green Revolution' for jobs and growth, cleaner air, improved public health and enhanced mobility solutions. At our new facility, clients will be able to access world-class technical expertise, pioneering innovation and leading services in one location – meeting their increasing need for fast, bespoke, expert testing services and rapid results that will help them address the effects of climate change.

*Intertek and the new centre were awarded Automotive Testing Technology International's prestigious Automotive Testing Company of the Year prize and Engine Testing Facility of the Year, with both awards presented at our opening ceremony by the publication's editor.

Intertek Cristal AccessCheck Meeting the accessibility needs of the disabled community

intertek
Accesscheck

What it is: As global leaders in systems and services for brand quality, standards management and related risk management, Intertek Cristal launched AccessCheck – an assessment protocol which provides independent verification of the degree to which hotels, restaurants, and other participants in the travel, tourism, and hospitality industry meet the accessibility needs of those living with disabilities.

Customer benefit: Our team of experts help clients strengthen their brand by ensuring consistency of quality, standards and risk management in everything they do. AccessCheck ensures that clients have a detailed policy in place to address the issues relating to disabled access.

That means making sure all areas of their buildings are accessible, that entry points and reception areas are welcoming for guests with a disability, and that suitable facilities for all guests are available. Through the programme, we also evaluate all aspects of our clients' building designs, advise on the safe evacuation of guests with specific disabilities, and offer disability awareness training.

“
Providing industry-leading, end-to-end ATIC services that are purpose-built to support the global transition to zero emission vehicles.”

“
AccessCheck ensures that clients have a detailed policy in place to address issues relating to disabled access.”



Operating review

Continued



Trade

Good performance with revenue acceleration in H2

£575.4m
Revenue

£51.6m
Adjusted operating profit

£50.2m
Statutory operating profit

Intertek Value Proposition

Our Trade division consists of three global business lines with differing services and customers, but similar mid- to long-term structural growth drivers.

Our Caleb Brett business provides cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

Government & Trade Services ('GTS') provides inspection services to governments and regulatory bodies to support trade activities that help the flow of goods across borders, predominantly in the Middle East, Africa and South America.

Our AgriWorld business provides analytical and testing services to global agricultural trading companies and growers.

Strategy

Our Total Quality Assurance value proposition assists our Trade-related customers in protecting the value and quality of their products during their custody-transfer, storage and transportation, globally, 24/7.

Our expertise, service innovations and advanced analytical capabilities allow us to optimise the return on our customers' cargoes and help them resolve difficult technical challenges.

Our independent product assessments provide peace of mind to our government clients that the quality of products imported into the country meet their standards and import processes.

2021 performance

Our Trade business delivered a good performance in revenue, operating profit and margin with a revenue LfL acceleration in H2.

Revenue of £575.4m was up 2.8% at constant rates and down 2.9% at actual rates. We delivered an adjusted operating profit of £51.6m up 17.3% at constant rates and 9.6% at actual rates. Our adjusted operating margin of 9.0% was up 110 basis points at constant rates and up 110 basis points at actual rates.

- Our Caleb Brett business, the global leader in the Crude Oil and refined Products global trading markets, benefitted from an improved momentum driven by an increase in global mobility in H2 2021 with a mid-single digit growth in LfL revenue, resulting in low-single digit LfL revenue in 2021.
- Our Government & Trade Services business provides certification services to governments in the Middle East and Africa to facilitate the import of goods in their markets, based on acceptable quality and safety standards. We saw low-single digit negative LfL revenue in H2 2021, resulting in a low-single digit LfL revenue growth in 2021.
- Our AgriWorld business delivered double-digit LfL revenue growth in H2 2021 resulting in double-digit LfL revenue growth in 2021. We continue to benefit from an increase in demand for inspection activities driven by the strong growth in the global food industry. AgriWorld provides inspection activities to ensure that the global food supply chain operates fully and safely.

2022 outlook

In 2022, we expect our Trade division to deliver robust LfL revenue growth at constant currency.

Mid- to long-term growth outlook

Our Trade division will continue to benefit from both regional and global trade-flow growth, as well as the increased customer focus on quality, quantity controls and supply chain risk management.

Business lines

Caleb Brett

Specialised cargo inspection and analytical assessment services to the oil and gas, chemical and other commodities markets.

Our role: We offer global 24/7/365 services covering cargo and inventory inspection services, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

Government & Trade Services

Providing conformity assessment services to governments, regulatory bodies, exporters and importers to support trade compliance

Our role: We support governments, customs authorities, exporters and importers by ensuring imported goods comply with international safety and quality standards. Our worldwide network of offices delivers rapid inspection and certification.

AgriWorld

Providing assurance, testing, inspection and certification services across the entire agricultural supply chain.

Our role: We offer an extensive array of services including inspection services, monitoring the quality and quantity of cargo from source to destination; high-quality analysis for the Agri-biotech and breeding industries and assurance services supporting sustainable farming practices. Our global experts offer seamless support, and provide traceability throughout the entire supply chain.

Financial highlights 2021

	2021 £m	2020 £m	Change at actual rates	Change at constant rates
Revenue	575.4	592.6	(2.9%)	2.8%
Like-for-like revenue	575.0	591.1	(2.7%)	3.0%
Adjusted operating profit	51.6	47.1	9.6%	17.3%
Adjusted operating margin	9.0%	7.9%	110bps	110bps
Statutory operating profit	50.2	42.1	19.2%	
Statutory operating margin	8.7%	7.1%	160bps	

Operating review

Continued

Innovation

We continue to invest in innovation to deliver a superior customer service in our Trade-related businesses:

Fast-Tek



What it is: Intertek's Fast-Tek is a customised global trade solution that delivers expedited certification of shipments to get trade moving faster. It offers an enhanced Total Quality Assurance experience – as our in-house labs and inspectors support our customers with Fast-Tek registration, expediting the inspection and certification process without compromising compliance or quality, and streamlining their administrative processes while minimising complexity.

Customer benefit: Fast-Tek enables our clients to move their goods through their supply chains more quickly, and can help to reduce overheads, both in the administrative burden and the associated costs of certification. Our global Fast-Tek customers are also provided with a dedicated key account manager who ensures that their operations run smoothly and efficiently at all times and can tailor bespoke solutions to meet their specific shipping needs. This has proved invaluable to our key customers in the current market where fast turnaround times and flexibility are critical.

Enhancing transparency and traceability for the Rice Exchange

What it is: Intertek AgriWorld has agreed a new service partnership with the Rice Exchange, the blockchain enabled digital platform that connects buyers and sellers of rice across continents, adding trust and lowering risk for all parties involved. The partnership demonstrates our commitment to the rice industry and means that Intertek is now available to all Rice Exchange customers to provide inspection services in relation to their rice trades undertaken on the platform.

Customer benefit: Rice Exchange users who rely on Intertek's services benefit from total transparency of transactional quality of rice inspected along the entire value chain. Alongside inspection, customers are able to select from our full range of services, ensuring Total Quality Assurance and thus mitigating risks of rejection at final sales stage. The platform allows engagement from farmer/producer through to the end buyer, a global view of the value chain which previously was limited to larger international traders only. This not only permits direct engagement with all stakeholders but also empowers the farmers/producers by affording them the opportunity to sell at market related rates.

Tradeable ground-level trade support and expertise



What it is: Intertek Tradeable provides trade support and expertise to deliver a comprehensive portfolio of pre-shipment solutions that enable the validation of suppliers or manufacturers, as well as production, shipment and goods handling processes. Our solutions facilitate risk mitigation right across the international supply chain, and we can tailor bespoke packages to meet our customers' specific requirements.

Customer benefit: Tradeable helps our customers protect their reputation and brand, enhances their quality control throughout the production process, minimises shipment delays and reduces the need for re-work, which empowers them to manage their supply chain risks better. We deliver the ground-level trade support and expertise they need to trade with confidence in an ever more complex and challenging trading environment.



Operating review
Continued



Resources

Solid revenue performance

£455.6m
Revenue

£22.6m
Adjusted
operating profit

£17.6m
Statutory
operating profit

Intertek Value Proposition

Our Resources division consists of two business lines with similar mid- to long-term structural growth drivers.

Industry Services uses in-depth knowledge of the oil, gas, nuclear and power industries to provide a diverse range of Total Quality Assurance solutions to optimise the use of customers' assets and minimise the risk in their supply chains. Some of our key services include technical inspection, asset integrity management, analytical testing and ongoing training services. Our Minerals business provides a broad range of ATIC service solutions to the mining and minerals exploration industries, covering the resource supply chain from exploration and resource development, through to production, shipping and commercial settlement.

Strategy

Our Total Quality Assurance value proposition allows us to help customers gain peace of mind that their projects will proceed on time and their assets will continue to operate with a lower risk of technical failure or delay. Our broad range of services allows us to assist clients in protecting the quantity and quality of their mined and drilled products, improve safety and reduce commercial risk in the trading environment.

2021 performance

Our Resources division delivered a solid revenue performance with a LfL revenue acceleration in H2.

Revenue of £455.6m was up 1.6% at constant rates and down 2.5% at actual rates. We delivered an adjusted operating profit of £22.6m down 18.7% at constant rates and 22.1% at actual rates. Our adjusted operating margin of 5.0% was down by 120 basis points at constant rates and 120 basis points at actual rates.

- In our Exploration and Production operations, our Capex Inspection services business delivered stable LfL revenue in H2 2021, resulting in a low-single digit negative LfL revenue in 2021.
- We delivered a mid-single digit LfL revenue growth in Opex Maintenance services in H2 2021, resulting in a low-single digit LfL revenue growth in 2021.
- We delivered double-digit LfL revenue growth in our Minerals business in H2 2021 resulting in high-single digit LfL revenue growth in 2021, as we saw increased demand for testing and inspection activities.

2022 outlook

We expect our Resources related businesses to deliver a good LfL revenue performance at constant currency.

Mid- to long-term growth outlook

Our Resources division will grow in the mid- to long-term as we benefit from investments in Energy, to meet the demands of the growing population around the world.

Business lines

Industry Services

Ensuring the safe and optimised use of customers' assets and minimising quality risks in their supply chains

Our role: Our Industry Services business line uses its in-depth knowledge of industries such as renewable energy, oil and gas, and petrochemical to provide customers with a diverse and technologically advanced range of Total Quality Assurance solutions. The services we offer include technical inspection, non-destructive and materials testing, and asset performance management.

Minerals

Providing a wide range of services to the mining and minerals exploration industry

Our role: Located in key mining locations across the globe, and operating an extensive network of mineral laboratories, Intertek Minerals offers expert inspection, analytical testing and advisory services to the Minerals, Exploration, Ore and Mining industries. We cover each step of the supply chain from exploration, production, sampling and inspection, to commercial trade settlement analysis.

Financial highlights 2021

	2021 £m	2020 £m	Change at actual rates	Change at constant rates
Revenue	455.6	467.5	(2.5%)	1.6%
Like-for-like revenue	455.6	466.9	(2.4%)	1.7%
Adjusted operating profit	22.6	29.0	(22.1%)	(18.7%)
Adjusted operating margin	5.0%	6.2%	(120bps)	(120bps)
Statutory operating profit	17.6	16.6	6.0%	
Statutory operating margin	3.9%	3.6%	30bps	

Operating review

Continued

Innovation

We continue to invest in innovation to deliver a superior customer service in our Resources-related businesses:

RiskAware

intertek
riskAware

What it is: With Intertek RiskAware's analytical approach to risk-based and QA/QC inspection data, we help our customers minimise their total cost of quality by avoiding costly and disruptive delays, incurring significant rework costs, or experiencing non-compliance issues. Our secure cloud-based solution identifies quality and safety risks, which helps companies optimise their inspection programme.

Customer benefit: By using risk-based data analytics to pin-point risky areas within their inspection programme, our customers can optimise their supply chain strategy. Risks such as component failure, delayed production opportunity costs, and project cost escalation due to delays caused by the late arrival of equipment, can all be mitigated through robust and proactive quality control programmes. This is complemented by the vendor surveillance activities we offer and overall assessment and monitoring of the supply chain.

WindAware

intertek
windAware

What it is: Managing the life of a wind turbine generator is a constant challenge. Operators need a tool that provides organised, readily available integrity data. Intertek developed WindAware, a cloud-based software solution to help owners and operators manage their asset and Operations & Maintenance ('OM') data, maintain reliability and safety, and minimise costly equipment failures.

Customer benefit: WindAware allows users to efficiently track, trend and report components' inspection, service, repair, replacement, and failure history, from construction to decommissioning. Utilising this information, gathered via a mobile device, helps wind farm owners make fast cost-effective real-time decisions, optimising asset performance and life, and reducing risk.

New state-of-the-art Minerals Global Centre of Excellence in Perth, Australia

20,000m²
Multi Service
lab

500
Intertek
experts

2.5m
samples
for our
customers
per year

What it is: Our new Minerals Global Centre of Excellence, located in Perth, Western Australia, is a key global centre for the minerals and mining industry. It is the largest and most technologically advanced Intertek Minerals laboratory in the world, and consolidates the Perth operations into a 20,000m², multi-service facility. With more than 500 Intertek colleagues, powered by the latest pioneering technology, it delivers a broad range of Assurance, Testing, Inspection and Certification ('ATIC') services to the industry.

Customer benefit: Sustainability is mission critical to the future of our mining industry. Responsibly sourced minerals today will form the building blocks of a cleaner, greener, more sustainable tomorrow. Our new facility was established to support customers across the minerals supply chain by providing innovative and sustainable solutions.

With the expansion of our laboratories, increased instrumentation and new robotic automated systems, we now have the capability to analyse over 2.5 million samples for our customers per year.



Principal risks and uncertainties



Assessing and managing our risks

This section sets out a description of the principal risks and uncertainties that could have a material adverse effect on the Group's strategy, performance, results, financial condition and reputation.

Risk framework

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. This work is complemented by the Group Risk Committee, whose purpose is to manage, assess and promote the continuous improvement of the Group's risk management, controls and assurance systems.

This risk governance framework is described in more detail in the Directors' report on pages 98 to 166.

The Group Audit Director and the Group General Counsel, who report to the Chief Financial Officer and Chief Executive Officer respectively, have accountability for reporting the key risks that the Group faces, the controls and assurance processes in place and any mitigating actions or controls. Both roles report to the Audit Committee, attend its meetings and meet with individual members each year as required.

Risks are formally identified and recorded in a risk register which is owned by each of the Group's divisional, regional and functional risk committees. Risk registers are updated throughout the year by these risk committees and are used to plan the Group's internal audit and risk strategy.

In addition to the risk registers, all senior executives and their direct reports are required to complete an annual return to confirm that management controls have been effectively applied during the year. The return covers Sales, Operations, IT, Finance and People.

Principal risks

The Group is affected by a number of risk factors, some of which, including macroeconomic and industry-specific cyclical risks, are largely outside the Group's control. Some risks are particular to Intertek's operations. The principal risks of which the Group is aware are detailed on the following pages, including a commentary on how the Group mitigates these risks. These risks and uncertainties do not appear in any particular order of potential materiality or probability of occurrence.

There may be other risks that are currently unknown or regarded as immaterial which could turn out to be material. Any of these risks could have the potential to impact the performance of the Group, its assets, liquidity, capital resources and its reputation.

Changes to principal risks

Our principal risks continue to evolve in response to our changing risk environment.

This year, based on our current assessment of its materiality, we have included three new principal risks: macro-economic risk, reflecting an increase in global economic and fiscal uncertainty caused by Covid-19; contracting risk, reflecting an increased focus on customer contract terms and supplier resilience; and sustainability risk, which is the risk of extreme weather events having an impact on our and our customers' operations. We have also removed third-party relations as we no longer believe this is a principal risk to the Group.

Long-term viability statement

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a five-year period to 31 December 2026, by carrying out a robust assessment of the potential impact of the principal risks and uncertainties on the Group's current position, including those that would threaten the Group's business model, future performance, solvency or liquidity. This is documented on the following pages.

The Directors have determined that a five-year period is an appropriate period over which to provide the viability statement of the Group, as the Group's strategic review covers a five-year period.

Principal risks and uncertainties

Continued

Furthermore, the Directors believe the five-year period appropriately reflects the average business cycles of the business lines in which the Group operates, particularly in relation to capital expenditure investment horizons. In modelling the viability scenario, we have made the assumption that we will be able to refinance external debt and renew committed facilities as they become due.

In addition to the bottom-up strategic review process where the prospects of each business line are reviewed, an assessment has been made of the potential operational and financial impacts on the Group of the principal risks and uncertainties outlined in the following pages. The Directors have also assessed certain combinations of these principal risks and uncertainties in a number of severe, but plausible, scenarios, as well as the effectiveness of any mitigating actions as set out in the table opposite. The Directors have assessed climate change will not have a meaningful impact on the viability of the Group over the five-year period to 31 December 2026.

The Group has a broad customer base across its multiple business lines and in its different geographic regions, and is supported by a robust balance sheet and strong operational cash flows. The Board considers that the diverse nature of business lines and geographies in which the Group operates significantly mitigates the impact that any of these scenarios might have on the Group's viability.

Based on this assessment, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2026. The statement on going concern is in the Directors' report on page 131.

Scenario	Associated principal risks	Description
Regulatory environment change	<ul style="list-style-type: none"> - Industry and competitive landscape - Customer service - Regulatory and political landscape - People retention - Reputation - Covid-19 	Failure to identify, understand and respond to regulatory or political changes results in loss of revenue, profitability, market share and/or adversely changes the competitive landscape.
Customer service issue	<ul style="list-style-type: none"> - Industry and competitive landscape - Customer service - Business ethics - People retention - Reputation - Covid-19 	Failure to respond/adapt to a customer service issue leads to a loss of key customers and detrimentally impacts reputation.
Ethical and/or quality breach	<ul style="list-style-type: none"> - Business ethics - People retention - Financial risk - Health, safety and wellbeing - Reputation - Covid-19 	An ethical and/or quality breach leads to litigation (including significant fines and debarment from certain territories/activities), reputational damage, loss of accreditation and erosion of customer confidence.
IT systems breach	<ul style="list-style-type: none"> - Customer service - People retention - IT systems and data security - Reputation - Covid-19 	A serious data security/IT systems breach results in a significant financial penalty and a loss of reputation among customers.

Principal risks and uncertainties

Continued

Operational

1 Reputation

Reputation is key to the Group maintaining and growing its business. Reputation risk can occur in a number of ways: directly as the result of the actions of the Group or a Group company itself; indirectly due to the actions of an employee or employees; or through the actions of other parties, such as joint venture partners, suppliers, customers or other industry participants.

Possible impact

- Failure to meet financial performance expectations.
- Exposure to material legal claims, associated costs and wasted management time.
- Destruction of shareholder value.
- Loss of existing or new business.
- Loss of key staff.

Mitigation

- Quality Management Systems; adherence to these is regularly audited and reviewed by external parties, including accreditation bodies.
- Risk Management Framework and associated controls and assurance processes, including contractual review and liability caps where appropriate.
- Code of Ethics which is communicated to all staff, who undergo regular training.
- Zero-tolerance approach with regard to any inappropriate behaviour by any individual employed by the Group, or acting on the Group's behalf.
- Whistleblowing programme, monitored by the Audit Committee, where staff are encouraged to report, without risk, any fraudulent or other activity likely to adversely affect the reputation of the Group.
- Relationship management and communication with external stakeholders.

2021 update

This risk remains stable compared with 2020. The Group continues to invest in staff development, quality systems and standard processes to prevent operational failures.

2 Customer service

A failure to focus on customer needs, to provide customer innovation or to deliver our services in accordance with our customers' expectations and our customer promise.

Possible impact

- May lead to customer dissatisfaction and customer loss.
- Gradual erosion of market share and reputation if competitors are perceived to have better, more responsive or more consistent service offerings.

Mitigation

- Net Promoter Score ('NPS') customer satisfaction, customer sales trends and turnaround time tracking.
- Global and Local Key Account Management ('GKAM'/'LKAM') initiatives in place.
- Customer feedback meetings.
- Customer claims/complaints reporting.

2021 update

This risk remains stable compared with 2020.

3 People retention

The Group operates in specialised sectors and needs to attract and retain employees with relevant experience and knowledge in order to take advantage of all growth opportunities.

Possible impact

- Poor management succession.
- Lack of continuity.
- Failure to optimise growth.
- Impact on quality, reputation and customer confidence.
- Loss of talent to competitors and lost market share.

Mitigation

- HR strategy policies and systems.
- Development and reward programme to retain and motivate employees.
- Succession planning to ensure effective continuation of leadership and expertise.

2021 update

This risk remains stable compared with 2020.

Principal risks and uncertainties

Continued

4 Macro-Economic

Macro-economic factors such as a global/market downturn, inflation, supply chain and logistics restrictions, materials shortages, and contraction/ changing requirements in certain sectors.

Possible impact

- Impact on revenue.
- Falling market share.
- Shrinking customer base.
- Impact on share price.

Mitigation

- We continue to focus on developing business in new markets and for new customers.
- We continue to focus on innovations in our service offerings.
- We continue to monitor trends and customer pipelines.
- We conduct regular strategic and business line reviews, including budget forecasting.
- We continue to monitor the impacts of external risk factors, and have access to data and analysis from our external advisers.

2021 update

This is a new risk for 2021.

5 Health, safety and wellbeing

Any health and safety incident arising from our activities. This could result in injury to Intertek's employees, subcontractors, customers and/or any other stakeholders affected. Wellbeing impacts on our people resulting from the Covid-19 pandemic and other similar events.

Possible impact

- Individual or multiple injuries to employees and others.
- Litigation or legal/regulatory enforcement action (including prosecution) leading to reputational damage.
- Loss of accreditation.
- Erosion of customer confidence.
- Wellbeing – individual or multiple instances of stress-related issues and/or illnesses, absenteeism, and related impacts on morale.

Mitigation

- Quality management and associated controls, including safety training, appropriate PPE (Personal Protective Equipment), Health & Safety policies (including due diligence on sub-contractors), meetings and communication.
- Avoiding fatalities, accidents and hazardous situations is paramount. It is expected that Intertek employees will operate to the highest standards of health and safety at all times and there are controls in place to reduce incidents.
- Business continuity planning.
- Employee wellbeing programme.

2021 update

This risk remains stable compared with 2020.

6 Industry and competitive landscape

A failure to identify, manage and take advantage of emerging and future risks.

Examples include the opportunities provided by new markets and customers, a failure to innovate in terms of service offering and delivery, the challenge of radically new and different business models; the failure to foresee the impact of, or adequately respond to and comply with, changing or new laws and regulations; a failure to anticipate and address the operational, strategic, regulatory and reputational impact of climate change and environmental factors; and a failure to identify and take advantage of the impact of post-Brexit changes to our clients' operations and supply chains.

Possible impact

- Failure to maximise revenue opportunities.
- Failure to take advantage of new opportunities.
- Lack of ability to respond flexibly.
- Erosion of market share.
- Impact on share price.
- Sanctions and fines for non-compliance with new laws, etc.

Mitigation

- GKAM and LKAM initiatives in place.
- Diversification of customer base.
- Focus on new services and acquisitions.
- Tracking new laws and regulations.
- Regular strategic and business line reviews.
- Development of ATIC-selling initiatives.
- NPS customer research to understand customer satisfaction.
- Using innovation to respond to the Covid-19 pandemic.

2021 update

This risk remains stable compared with 2020.

The Group continues to invest in innovation and to adapt our service delivery to meet our clients changing needs.

7 IT systems and data security

Systems integrity: major IT systems integrity issue, or data security breach, either due to internal or external factors such as deliberate interference or power shortages/cuts, etc.

Systems functionality: a failure to define the right IT strategies, maintain existing IT systems or implement new IT systems with the required functionality and which are fit for purpose, in each case to support the Group's growth, innovation and competitive customer offering.

Data security: a failure to adequately protect the Group's confidential information, customer confidential information or the personal data of the Group's employees, customers or other stakeholders.

Possible impact

- Loss of revenue due to down time.
- Potential loss of sensitive data with associated legal implications, including regulatory sanctions and potential fines.
- Potential costs of IT systems' replacement and repair.
- Loss of customer confidence.
- Damage to reputation.
- Loss of revenue/profitability if we fail to adopt an IT investment strategy which supports the Group's growth, innovation and customer offering.

Mitigation

- Information systems policy and governance structure.
- Regular system maintenance.
- Backup systems in place.
- Disaster recovery plans that are constantly tested and improved to minimise the impact if a failure does occur.
- Global Information Security policies in place (IT, Data Protection, CyberSecurity).
- Adherence to IT finance systems controls (part of Core Mandatory Controls ('CMCs')).
- Adherence to IT general controls.
- Internal and external audit testing.
- Processes to ensure compliance with GDPR.

2021 update

This risk remains stable compared with 2020.

Principal risks and uncertainties

Continued

8

Covid-19

The risk caused by the ongoing coronavirus pandemic. The virus is a potential risk to: (1) the health and safety of our people; (2) the ability of our and our customers' businesses to operate normally; and (3) global supply chains and the flow of goods and services.

Possible impact

- There is a health and safety risk to our people who come into contact with confirmed cases.
- In affected areas, there is a risk that the ability of our people to work as normal is impacted by mandatory health and safety restrictions, including quarantine and travel restrictions in certain cases.
- There is a risk that the ability of our people to perform field-based work (audits and inspections) continues to be affected by control and prevention measures that we and our clients are taking, or are subject to.
- In affected areas, there is risk of disruption to our normal operations, both as a consequence of the issues faced by our people and of the impact to our clients' operations and production levels.
- There is a risk that an ongoing situation could continue to disrupt global supply chains, which could lead to a need to refocus our service offering or delivery locations to align optimally with customer requirements and to remain competitive.
- There is a risk that our 2022 performance will be affected by the disruption to the supply chains of our clients and any impact it may have on global trade activities.

Mitigation

- We are closely monitoring our people's health, safety and security and relevant regulatory requirements.
- We have implemented, and continually revise, the Group's Covid-19 Health and Safety Policy, which covers extensive hygiene control and prevention measures for our office and field-based people.
- We have made changes to operational procedures to redirect work to Intertek facilities in unaffected locations.
- We are engaging closely with our customers to support their needs.
- We have working groups at the Group, regional and local levels to monitor the situation and put appropriate mitigation action and continuity plans in place.
- We have implemented a remote inspection approach to ensure compliance with the Covid-19 Health and Safety Policy across all of our sites.

2021 update

We believe this risk remains similar to the prior year. Although global vaccination programmes and other factors (such as rapid mass testing and improved treatments and therapies) have reduced this risk during 2021, there remains significant uncertainty over new variants and the potential for ongoing government restrictions.

We continue to work closely with our clients to prioritise the health and safety of our and their people and to maximise business continuity.

9

Contracting

Agreeing unfavourable terms with customers and/or suppliers as a result of not following agreed contract review processes, and/or failing to negotiate appropriate terms.

Possible impact

- Margin decreative work.
- Onerous liabilities and exposures.
- Non-optimised pricing.
- Financial exposures due to claims and litigation.

Mitigation

- Any deviations from our standard contract terms are subject to legal review and approval, and all contracts must be approved in line with our Authorities Grid (which sets out approval limits based on contract values and other relevant factors).
- We continue to operate our claims notification procedure, including claims management and insurer liaison where needed.
- Both our contracting and claims processes are supported by training programmes for relevant staff, and the use of relevant systems and databases.

2021 update

This is a new risk for 2021.

Legal and Regulatory

10

Regulatory and political landscape

A failure to identify and respond appropriately to a change in law and/or regulation, or to a political decision, event or condition which could impact demand for the Group's services or the Group's ability to grow, innovate and/or provide a competitive customer offering in any existing or new industry sector or market.

Possible impact

- Loss of revenue, profitability and/or market share.
- Increase to costs of operations, reduction in profitability.
- Reduction in the attractiveness of investment in specific businesses, sectors or markets and/or adverse change in the competitive landscape.

Mitigation

- Monitoring of regulatory environment and political developments.
- Analysis of impact of regulatory and political changes on operational SOPs and Group policies.
- Membership of relevant associations, e.g. TIC Council with related advocacy and liaison activities including in relation to developing climate-related or environmental regulations.

2021 update

This risk remains stable compared with 2020.

Principal risks and uncertainties

Continued

11 Business ethics

Non-compliance with Intertek's Code of Ethics ('the Code') and/or related laws such as anti-bribery, anti-money laundering, and fair competition legislation. Non-compliance could be either accidental or deliberate, and committed either by our people or sub-contractors who must also abide by the Code.

Possible impact

- Litigation, including significant fines and debarment from certain territories/activities.
- Reputational damage.
- Loss of accreditation.
- Erosion of customer confidence.
- Impact on share price.

Mitigation

- Annual Code of Ethics training and sign-off requirement.
- Whistleblowing programme, monitored by the Group Risk Committee, where staff are encouraged to report, without risk, any fraudulent or other activity likely to adversely affect the reputation of the Group.
- Enhanced processes for engagement with suppliers and third parties.
- Zero-tolerance approach with regard to any inappropriate behaviour by any individual employed by the Group, or acting on the Group's behalf.
- The Group employs local people in each country who are aware of local legal and regulatory requirements. There are also extensive internal compliance and audit systems to facilitate compliance. Expert advice is taken in areas where regulations are uncertain.
- The Group continues to dedicate resources to ensure compliance with the UK Bribery Act and all other anti-bribery legislation, and internal policy.

2021 update

This risk remains stable compared with 2020.

Ongoing annual confirmations ensure that staff verify compliance with the Code.

Local compliance officers perform due diligence on sub-contractors to check that they have signed the Group's Code.

During 2021, 112 (2020: 99) non-compliance issues were reported through the whistleblowing hotline and other routes. All were investigated, with 19 (2020: 27) substantiated and corrective action taken.

12 Sustainability

The risk of extreme weather events leading to business interruption.

Possible impact

- Impact on business continuity due to facilities being damaged or inaccessible.
- Impact on health, safety and wellbeing of our people.
- Delays in turnaround time.
- Customer relationship impacts.
- Increased costs.
- Logistical challenges due to redirection of work.
- Impact on revenue and margin.

Mitigation

- All our locations are required to maintain robust business continuity plans.
- Net Promoter Score ('NPS') customer satisfaction, customer sales trends and turnaround time tracking.
- We maintain up-to-date asset registers and values alongside our Group Insurance programme.
- We have an established crisis management procedure.

2021 update

This is a new risk for 2021.

Financial

13 Financial risk

Risk of theft, fraud or financial misstatement by employees. On acquisitions or investments, the financial risk or exposure arising from due diligence, integration or performance delivery failures.

Possible impact

- Financial losses with a direct impact on the bottom line.
- Large-scale losses can affect financial results.
- Potential legal proceedings leading to costs and/or management time.
- Corresponding loss of value and reputation could result in funding being withdrawn or provided at higher interest rates.
- Possible adverse publicity.

Mitigation

- The Group has financial, management and systems controls in place to ensure that the Group's assets are protected from major financial risks.
- Adherence to Authorities Grid (which sets approval limits for financial transactions).
- Stringent controls on working capital and cash collection.
- Legal, financial and other due diligence on M&A and other investments.
- Monitoring adherence to our CMCs and tracking of remediations by our compliance and finance controls teams and using our framework of risk committees.
- A detailed system of financial reporting is in place to ensure that monthly financial results are thoroughly reviewed. The Group also operates a rigorous programme of internal audits and management reviews. Independent external auditors review the Group's half year results and audit the Group's annual financial statements.

2021 update

This risk remains stable compared with 2020.

We continue to review and update the CMCs on an annual basis and use them for year-end compliance certification.

TCFD statement

Climate change matters

We believe that, as a sustainable business, Intertek has an important role to play in taking action on climate change and supporting the transition to a low-carbon economy.

We have committed to set ambitious science-based targets to get to net zero carbon emissions by 2050. We are also committed to total transparency on the effect of climate change and the risks and opportunities of decarbonisation on our operations, strategy and financial planning – including by implementing the recommendations of the TCFD in full.

There are 11 TCFD recommended disclosures and we report against them within this section. Through consistency with the TCFD disclosures, Intertek has achieved compliance with the listing rules.

Putting TCFD in context: an overview of global decarbonisation and the race to net zero

Climate change policies, disclosure requirements and public, consumer and investor pressure have led to a 'race to net zero' by governments and corporations – with the aim being decarbonisation of the global economy in line with Paris Agreement goals to limit global warming.

Decarbonisation to a point of net zero carbon emissions will involve economic, political and societal changes. The key to achieving it lies in energy transition – a shift from reliance on carbon-emitting fossil fuels to renewables and green energy sources, with the significant changes in energy infrastructure that involves. It will also require a reduction in the carbon footprint of global activities: transport and travel; facilities and construction; supplies consumed; and goods and services produced. The likelihood – based on the current rate of progress – is that achieving net zero within the Paris Agreement timeframe will in addition require the development and use of new carbon capture and storage technologies.

Conversely, if decarbonisation goals are not met, the effects of climate change will increase and extreme weather events will be more likely. Governments and corporations will need to consider mitigating the risks of this outcome by ensuring that their energy, manufacturing and supply networks are resilient and secure.

Task Force on Climate-related Financial Disclosures ('TCFD'):

Snapshot view: TCFD risks and opportunities

At the high level, the 'race to net zero' by governments and corporations is beneficial to Intertek given our investments in sustainability – including our operational sustainability solutions; our carbon emissions certification, CarbonClear™; our ESG disclosures verification; and our Corporate Sustainability Certification, TSA.

Ongoing dependency on traditional oil and gas, and the significant investments required to scale up renewable energy, will mean our Industry Services businesses should benefit from traditional energy investment and the expected infrastructure growth in the renewables space. Our differentiated World of Energy value proposition, underpinned by our Total Energy Expertise, positions us strongly to take advantage of the global energy transition required to get to net zero.

Unless something dramatic happens to increase investment in renewables, the world will face difficulties in meeting Paris Agreement targets and addressing climate change. This negative outcome should lead to increased demand for our services as it will lead to an increased focus on developing low-carbon products and other innovations and technologies that will reduce emissions, including increased investment in carbon capture and storage.



TCFD Continued

Strategy

Understanding the impact of decarbonisation and climate change

As the global ATIC leader, the demand for Intertek's services depends on the supply of and demand for our clients' products and services and the need for our Total Quality Assurance services at specific risk points in their logistics, manufacturing and supply chains.

In order to assess the impact of global decarbonisation on Intertek and our potential climate-related risks and opportunities, we have built a bottom-up, business-line specific supply and demand model which considers how the supply and demand of our clients' products and services, and therefore their need for Intertek's services, is likely to change in line with two decarbonisation scenarios:

1. global decarbonisation in line with the Paris Agreement, with increases in global warming limited to 2°C and below; and
2. a failure to decarbonise globally in line with the Paris Agreement, with global warming of 4°C and above.

Our impact assessment approach

Based on our view of global decarbonisation and the nature of our businesses and services, we have divided the impacts of climate-related risks and opportunities on Intertek's operations, activities and Earnings model into three categories:

- **Transition impacts:** the impact of transitioning to low-carbon economies and lifestyles. We further divide these into: energy transition impacts (the impact of transitioning to renewables and green energy sources); and **carbon footprint transition** impacts (the impact of reducing the carbon footprint of global activities including logistics, manufacturing/ production and supply chains);

- **Policy impacts:** the impact of climate-related laws or regulations, or policies intended to drive a decarbonisation agenda; and
- **Physical impacts:** the impact of extreme weather events on our and/or our clients' facilities and operations.

The 2°C scenario is the globally accepted limitation of temperature growth to avoid significant climate change events. Under this scenario, we have assumed that physical risks – the risks of extreme weather events – will not increase materially above the risk today and we have focused therefore only on transition impacts and policy impacts.

We have assumed that the 4°C scenario will arise if transition actions and/or policy are ineffective, and under this scenario we have therefore considered physical risks only.

We have considered impacts over the short-term (0-2 years), medium-term (2-5 years); and long-term (5 years or more).

We have applied a materiality threshold of £20.65m, aligned with the materiality threshold in our financial statements. We have considered the materiality of risks on a 'net risk' basis, i.e. taking into account relevant risk mitigations and opportunities that may be linked to those risks.

Our climate-related risk and opportunities

Based on our business-line specific supply and demand model and decarbonisation scenarios, our view of Intertek's climate-related risks and opportunities is set out in the tables on pages 52 and 53.

How do climate-related risks and opportunities affect our businesses, strategy and financial planning?

We have identified and assessed the risks and opportunities of decarbonisation, on both a 2°C/ low-carbon and 4°C/high-carbon scenario, using a bottom-up, business-line specific supply and demand model and looking at short-, medium- and long-term time horizons.

This assessment feeds directly into the strategy and financial planning that we do by business line, including our planning on:

- climate change mitigation activities and our net zero action plans;
- our service offering and our service innovation pipeline;
- the location of our facilities; and
- M&A and strategic growth activities.

What is our organisational resilience to the risks of climate change and decarbonisation scenarios?

We believe our operations and strategy have a high degree of resilience to the risks of climate change under both a 2°C and 4°C scenario:

- Our extensive network – over 1,000 labs in over 100 countries – means that we are well positioned to take advantage of any climate-related changes in supply chains (either changes to suppliers, to the raw materials being supplied or to the geographic location of supply chains).
- Our products inspection and assurance businesses are flexible as they use field-based inspectors and auditors and we can deploy personnel/sub-contractors as required.


- Our client-base of over 400,000 clients is diverse, with no material dependencies, which also de-risks geographic changes in our points of service delivery.
- Our capital-light Earnings model de-risks us from climate-related changes to our clients' supply chains and physical impacts of climate change as we have a low cost of market entry and exit.
- We are able to redirect work within our own network in order to mitigate the impact of climate-related disruptions.
- We do not anticipate a material impact of climate-related policies directly on our business. As a professional services provider, we do not operate in a sector which is likely to be a key focus for mandatory decarbonisation behavioural changes. Our broad geographic footprint de-risks us from the impact of national regulations. Our capital-light model mitigates our exposure to climate-related policies.



TCFD
Continued

Our climate-related risks and opportunities

2°C Scenario

Impact area	Risks and opportunities
Energy transition 	<p>The key question for our energy-related businesses is what the risks and opportunities of a transition to lower carbon/renewable energy will look like, and over what timeframe.</p> <p>The world will be dependent on traditional oil and gas for longer than people think: there have been under-investments in oil and gas exploration since 2015; there is structural under-investment in alternative energy sources; renewables will take time to scale, creating risks for governments and economies in moving away too quickly from traditional energy sources.</p> <p>This will require our clients to make incremental investments in traditional oil and gas Exploration & Production. Our Industry Services businesses should therefore benefit over the next 20 to 25 years both from traditional energy investments and the growth in infrastructure for renewables.</p> <p>Our Caleb Brett business should benefit from the recovery of global demand for oil and gas to pre-Covid-19 consumption levels in the short-term, and in the medium- to long-term continue to benefit from an increase in the production and consumption of oil-related products as well as the development and growth of greener fuels.</p> <p>The carbon capture and carbon removal technologies which will be required to achieve net zero targets are currently at an early stage of development and it is likely that increased investments will be required in order to accelerate their production and availability: this should benefit our engineering-based inspection businesses within Industry Services.</p> <p>The energy transition that certain of our traditional oil and gas clients face as they move to being total energy providers underlines the importance of our differentiated World of Energy value proposition. Intertek's range of energy expertise is able to support our clients across the full World of Energy spectrum: from traditional oil and gas, petroleum refining and distribution, petrochemicals and power generation to nuclear power, solar, biofuels, tidal, wave and wind power. This positions Intertek Total Energy Expertise strongly to take advantage of current and future business development linked to the energy transition.</p>




Impact area	Risks and opportunities
Carbon footprint transition 	<p>For our Products businesses, the risks and opportunities of decarbonisation will be linked to our clients' transition to lower-carbon logistics, manufacturing/production and supply chain networks.</p> <p>We expect consumer spending on products to continue to increase and the number of SKUs produced to also increase. An increasing consumer and regulatory focus on sustainability will lead to changes in demand for products with lower carbon footprints. Equally, manufacturers' own sustainability goals will lead them to seek raw materials with lower carbon footprints and to develop lower carbon footprint products.</p> <p>We believe that corporations will face difficulties in achieving their net zero targets given the financial, organisational and practical complexities of transitioning to low-carbon footprint operations. We therefore expect the demand for existing products to stay high for longer. Given the difficulties in getting to net zero without R&D and investments in logistics and supply chains, our Products businesses will benefit from higher corporate investments in R&D to design green/low-carbon products at the start of the value chain and from investments in supply chain relocations closer to home markets to reduce carbon footprints and increase resilience.</p>
Policy 	<p>Climate-related laws and regulations will increase over time.</p> <p>In the short term, governments are likely to limit policies which require mandatory behavioural changes to the industry sectors which are the most critical to decarbonisation: energy; infrastructure; and transportation. It is likely that corporates in other industry sectors will be encouraged to decarbonise by increasing disclosure and transparency requirements.</p> <p>The regulatory approach over the medium- to longer-term will change depending on companies'/ countries' success in meeting Paris Agreement targets and regulation will become less voluntary and more mandatory over time if those targets are likely to be missed based on existing behaviours.</p> <p>We expect to benefit from increased regulation to drive investment and product development by our clients in the energy, infrastructure and transportation sectors.</p> <p>We expect our Business Assurance businesses to benefit from an increase in supplier audit and management solutions as corporations seek to reduce their carbon emissions (scope 1, 2 and 3).</p> <p>ESG disclosure requirements are likely to increase in response both to new regulations with tighter disclosure standards and to increasing investor and stakeholder expectations. We expect this to lead to increased demand for our ESG disclosure/verification services.</p>

TCFD Continued

Our climate-related risks and opportunities Continued

4°C Scenario

Impact area	Risks and opportunities
Physical impacts 	<p>We consider that there are three types of possible physical impacts:</p> <ol style="list-style-type: none"> 1. Direct physical impacts, where the increased frequency and/or severity of extreme weather events causes an increased incidence of disruption to our own operations/supply chain/transportation networks; 2. Client physical impacts, where the extreme weather events cause disruption to our clients' operations and therefore changes to client demand – or the geographic location of client demand – for our services; and 3. Economic physical impacts, where temperature increase and extreme weather events reduce economic activity, leading to a fall in demand for our services in line with fall in consumer demand/client production. <p>Based on our natural catastrophe experience and modelling, and because of the capital-light nature of our operations and our ability to redirect work within our own network, we believe that the impacts of extreme weather events to Intertek are likely to be local and not material at the Group level.</p> <p>Extreme weather events may impact our clients' operations and supply chains and economic activity. We have added 'Sustainability' – the risk of extreme weather events – to our Principal Risks for 2021 and reflected that accordingly in our viability statement and going concern analysis.</p>

Governance

How does our Board have oversight of climate-related risks and opportunities?

Our Board of Directors is responsible for the oversight of climate-related risks and opportunities. The Board is informed about and actively considers climate-related issues at each quarterly Board meeting. Climate-related risks are integrated into every Board agenda as part of the Board's review of risks and our integrated risk, control and compliance approach. Climate-related issues are considered as part of the Board's strategic review sessions and reflected in the Board's strategic review and guidance.

The Board takes emerging and systemic climate-related risks and opportunities into account: (1) when considering the Group Risk Footprint and our internal controls/risk management policies at each Board meeting; and (2) in reviewing the Group's Principal Risks and in the risk modelling that feeds into the longer-term viability statement. In addition, the Board had a special TCFD session in October 2021 and a full deep-dive review of the Group's climate-related risks and opportunities in December 2021. The Audit Committee received a 'Climate change and reporting considerations' update session from PwC during the year.

The Group's Head of Sustainability reports to the Board on our climate-related risks and opportunities as part of an annual in-depth Intertek Total Sustainability review. Progress on our climate-related metrics is reported to and monitored by the Board. Once we have validated our science-based targets and robust net zero action plans, the Board will monitor and oversee progress against those targets and plans.

What is management's role in identifying, assessing and managing climate-related risks and opportunities? How does that fit into our overall risk management?

Our integrated risk management approach involves embedding an awareness and ownership of risk within our businesses using our framework of regional, divisional and functional risk committees. Each committee consists of relevant operational, HR, compliance, finance and insurance leaders from within our organisational structure.

We believe that climate-related risks and opportunities are important and integral business risks and opportunities and must also be embedded within that framework: the management team members who sit on our risk committees therefore consider climate-related risks and opportunities within their respective remits.

Climate-related risks are reflected if relevant in each risk committee's individual risk footprint – that is, their regularly-updated list of the risks and mitigation actions that they believe are relevant to their own area – and on their meeting agendas. The members of management on each risk committee are responsible for identifying, assessing and managing their own climate-related risks and opportunities and for identifying and implementing appropriate actions to mitigate the risks and/or capitalise on the opportunities.

The risk committees report to the Group Risk Committee, which is a delegated committee of the Board. The Group Risk Committee provides review, ownership and oversight of climate-related risks and opportunities at the Group level; identifies Group-level actions and cascades them to the regional, divisional and functional level as appropriate; and consolidates the climate-related risks and opportunities reported up by those committees.

More detail on our integrated risk management approach can be found on page 167.

In addition, climate-related risks and opportunities are identified, managed and tracked by:

- our Net Zero Steering Committee (whose members include our Group CEO, Group CFO, Head of Sustainability and Head of Sustainability – Finance) which is working on our detailed net zero action plans and manages our GHG emissions plans and targets;
- our Beyond Net Zero Steering Committee (whose members include our Group CEO, Head of Sustainability, VP – Innovation, EVP – Marketing & Comms, and Group Head of Risk), which has oversight of our Total Sustainability agenda including internal and external climate-related actions over and above our GHG and net zero commitments; and
- our specific CEO-led working group on TCFD/ climate-related risks and opportunities.

TCFD

Continued

Risk management

How do we identify and assess climate-related risks?

At the strategic level, we have developed and are using our supply and demand model to look at how the needs of our customers across our different businesses are likely to be affected by decarbonisation and how that is likely to affect their need for our end-to-end Total Quality Assurance services across all points of their logistics, manufacturing/production and supply chain networks.

Identifying and assessing climate-related risks is also an integral aspect of our operational risk management. We use our framework of regional, divisional and functional risk committees and our Group Risk Committee to ensure climate-related risks are identified, monitored and assessed in the same way as we do for other risks. Each committee identifies its own risks and tracks them in its own risk footprint: risks are assessed by order of likelihood and impact, and each committee identifies action plans to mitigate its risks. The relative significance of climate-related risks to other risks is determined as part of that risk footprint process and likelihood/impact assessment.

How do we manage climate-related risks?

Climate-related risks that we identify are managed in the same way as other risks through our integrated risk, control and compliance process.

Climate-related risks that are systemic (that is, are actual or inherent) in our operations are managed using our internal controls and our risk management policies. For example, all our sites are required to have business continuity plans in place so that we minimise disruption relating to extreme weather events; our sites are audited against this requirement to ensure they comply and are addressing the risk.

Climate-related risks that are emerging (that is, are potential or future-looking) are managed by our framework of risk committees using our risk footprint process. For any risk, the risk committees identify risk mitigation actions using a three lines of defence (control, management, oversight) model. For example, we see that there is a risk that we lose revenue opportunities if we fail to innovate in ways that support our clients in their decarbonisation goals. We therefore put in place risk mitigation actions to address that: we engage with our clients at the operational/sales level to understand their current and future needs; our innovation team develops new service offerings to meet those needs; our Group Risk Committee reviews innovations and new product development to ensure they align with group strategy.

Our risk committees assess the effectiveness of their risk mitigation action plans in addressing their identified risks throughout the year as part of their quarterly meetings.

The supply and demand model we have built bottom-up by business line allows our leaders to manage their climate-related risks and opportunities by linking their operations and strategy clearly to clients' decarbonisation/failure to decarbonise scenarios.

In addition to determining the materiality of climate-related risks on a bottom-up basis using our supply and demand model and risk footprint process, our Net Zero/Beyond Net Zero Steering Committees and TCFD working group provide a top-down view and allow top-down/Group-agnostic risk management actions.

Key metrics

Assessing and managing climate-related risks and opportunities

We use carbon-emissions target and net zero target dashboards by country to drive our climate change/net zero progress and to track the effectiveness of our climate-related action plans.

We have made several climate-related public commitments, on our own and with other organisations. Central to these is to set and meet science-based targets and we have joined the global movement of 'Business Ambition for 1.5°C' and the UN Race to Zero campaign. The Science Based Target initiative ('SBTi') defines and promotes global best practice in science-based target setting. We have applied the 'SBTi Criteria and Recommendations' guidance to our policies and Greenhouse Gas accounting standards in the development of our new science-based targets and will apply for our targets to be validated.

Intertek publicly reports on its scope 1, 2 and 3 GHG emissions and the carbon intensity of our operational emissions per employee and by revenue. Progress against targets is disclosed in the Annual Report & Accounts, as well as in other relevant publications. Our measurement and reporting is aligned to the GHG Protocol Corporate Accounting and Reporting Standard (2015) and the recommendations of the TCFD. As required, we report under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations and we apply the 2019 UK Government Environmental Reporting Guidelines, including the Streamlined Energy and Carbon Reporting Guidance ('SECR'). Further details can be found on pages 86 to 89.

We are also proposing a change to the operation of our annual incentive plan for 2022 in order to align our annual incentive framework with progress against our ESG and climate-related goals. The annual incentive is currently based 100% on financial performance: 80% based on a matrix of revenue and adjusted operating profit growth and 20% based on ROIC. Reflecting on the Group's wider purpose of bringing quality, safety and sustainability to life, the Remuneration Committee considered it would be appropriate to add an ESG element based on performance against a carbon emissions target. See page 147 in the Remuneration Report for further detail.



Section 172 statement

We create sustainable growth. For all.

In accordance with their duties under section 172(1) of the Companies Act 2006, the Board of Directors individually and collectively confirm that during the year under review, they have acted in a way that they consider, in good faith, is most likely to promote the long-term success of the Company for the benefit of its members as a whole, whilst having due regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, being:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

Long-term success

We, as a Board, clearly understand our responsibility to deliver long-term sustainable success and returns for our shareholders, underpinned by the highest standard of corporate governance, conduct and integrity. We collectively review, discuss and annually agree the Group's strategic review which covers a period of five years and is then linked to the viability statement as outlined on page 44.

Intertek has been delivering pioneering safety solutions to companies for over 130 years and in that time has had to navigate multiple challenges on a local and global basis. As a purpose-led business, we have learned a lot over the last two years during the Covid-19 pandemic. By acting with speed, flexibility and innovation to support our clients, we have lived up to our philosophy of being a force for good in the world in everything we do and delivering services that are mission-critical to support the wider society as a whole.

Our business can only grow and prosper over the long term if we understand and respect the views and needs of our customers, our people and the communities in which we operate, as well as our suppliers and the shareholders to whom we are accountable.

(A) The likely consequences of any decision in the long term

The importance of having due regard to stakeholders in the context of decision-making is brought to the Board's attention regularly. At the front of every Board and Committee agenda, the section 172(1) duties of the Board, including our purpose, customer promise, vision and board promise, are outlined as a reminder before each meeting.

Strategic planning discussions are supported by our purpose to bring quality, safety and sustainability to life, and to make the world a better, safer and more sustainable place whilst looking at the long-term structural drivers and the emerging trends shaping the future of the world, to ensure that the business continues to evolve to meet the changing needs of all stakeholders.

Examples of some of the principal decisions taken by the Board during the year, an explanation of the outcome of the decision and the matters which the Directors had regard to when reaching such decisions, are set out in the following section.

For more information about:

- the attractive nature of our industry, Intertek's effective purpose-led long-term 5x5 strategy for growth, see pages 14 to 17 in our Strategic Report;
- the exciting structural growth drivers in the global Quality Assurance market due to the Covid-19 pandemic and the focus on climate change as highlighted at COP26, which now includes a wide array of new opportunities in many areas which have become even more compelling as health, safety, wellbeing and sustainability grow in importance for society, companies and individuals alike, see pages 16 to 17 in our Strategic Report;
- what we are doing to address our impact on climate change and the environment and why sustainability is central to everything we do, see pages 50 to 54 and the Sustainability Report; and
- how we consider our Company to be viable and a going concern, see page 44 of the Strategic Report and page 131 of the Audit Committee report.

Section 172 statement

Continued

Principal decisions

We define principal decisions taken by the Board as those decisions that are of a strategic nature and that are significant to any of our key stakeholder groups. As outlined in the FRC Guidance on Strategic reports, we include decisions related to capital allocation and dividend policy.

For Board consideration	Stakeholders affected	How stakeholders affected were considered	The principal decision and outcome(s)
Whether the 2021 final and interim dividend should be paid in line with our dividend policy.	<ul style="list-style-type: none"> - Communities - Employees - Governments - Investors 	<p>The Board carefully reviewed the performance of the Group in Q1 and then at the half year, together with the 2021 outlook for the profit and loss account and the balance sheet.</p> <p>They also considered the impact of this decision on our shareholders, many of whom are pension funds which then has a bearing on individuals in the wider community together with the tax paid on such dividends. Many of our employees are themselves also shareholders and these payments reflected the strong nature of the company they work for.</p>	<p>The Board recommended a full year dividend of 105.8p per share, in line with the previous year, with payment of a final dividend of 71.6p to shareholders in June 2021 and an interim dividend of 34.2p in October 2021.</p> <p>This recommendation reflected the Group's resilient performance for 2020 with record margin and excellent cash conversion together with a strong performance in the first half of 2021 and the Board's confidence in the Group's structural growth drivers into the future.</p> <p>The Board concluded that it was in the long-term interest of the Company to proceed with the payment of the dividends.</p>
Acquisition of SAI Global Assurance ('SAI').	<ul style="list-style-type: none"> - Communities - Customers - Employees - Investors - Suppliers 	<p>The Board undertook an extensive review of the business, the market, strategic rationale, management team, culture, the business plan as well as many other important factors.</p> <p>The Board, having consideration to SAI's dominant position within the market as a leading provider of assurance services, considered the acquisition to be an exciting opportunity to strengthen Intertek's Assurance offering by providing additional scale, enhanced geographical coverage and capabilities for new and existing customers.</p> <p>Due to SAI's structure and passion for their customers, the Board deemed the acquisition to be a good cultural fit for Intertek. The Board saw the opportunity to strengthen the talent pool across Intertek with SAI's high-quality team, in turn benefitting Intertek's employees, customers and investors.</p>	<p>Following the Board's extensive and careful consideration, it resolved to approve the acquisition of SAI after reviewing and agreeing that SAI would form part of the future long-term success of Intertek, and was in the best interests of all of its stakeholders. The acquisition of SAI completed on 7 September 2021.</p>
Acquisition of JLA Brasil Laboratório de Análises de Alimentos S.A. ('JLA').	<ul style="list-style-type: none"> - Communities - Customers - Employees - Investors - Suppliers 	<p>The Board considered the acquisition of JLA and the opportunity that it would present to Intertek to enter the fast-growing agri-food and beverage testing market in Brazil.</p> <p>The Board deemed the acquisition as an attractive opportunity to leverage Intertek's industry-leading ATIC solutions in one of the largest markets globally, in terms of agri-food and beverage production value, with the opportunity to benefit not only customers, as the demand for food and beverage testing solutions accelerates as global supply chains become more complex, but investors, employees and communities alike.</p>	<p>The Board, following its review of the business and the benefits the acquisition would present for all stakeholders affected, approved the acquisition of JLA. The acquisition of JLA completed on 21 July 2021.</p>
Continued the review of the global Covid-19 Health and Safety ('HSE') policy.	<ul style="list-style-type: none"> - Communities - Customers - Environment - Suppliers - Government & Regulators 	<p>Our main priority is always to ensure the health and safety of our employees. By implementing a policy which applies Group-wide, we ensure that our employees continue to exercise safe practices throughout the ever-changing landscape of the pandemic.</p> <p>The Board regularly reviewed the policy throughout the year to ensure that changes were implemented to reflect evolving developments in local practices, globally, and as the understanding of the virus evolves.</p> <p>By reviewing the policy, we not only ensure the safe practice of our people, but in turn ensure the safety of our customers and suppliers who are both directly and indirectly affected by our people and their practices.</p>	<p>In September 2021, an updated Covid-19 Policy was issued to reflect important developments following the approval of multiple vaccines and the rollout of vaccination programmes.</p>

Section 172 statement

Continued

Board engagement with stakeholders (matters B, C, D & F)

In the table on the next page we have set out our key stakeholder groups, how they are linked to our strategy and risks, their material issues and concerns, why and how the Board engages with them, and the outcome of the engagement. We understand the need to tailor our approach to engagement with each stakeholder group to maintain positive and beneficial relationships and to understand their needs and interests. In this way, we can take account of these interests in our boardroom discussions and understand the impact of our decision-making on each stakeholder group, which in turn ensures we can continue to provide services that our clients need, collaborate effectively with our colleagues, make a positive impact to local communities and deliver robust returns and long-term sustainable value for our investors.

Strategic priorities



a. Differentiated brand proposition



b. Superior customer service



c. Effective sales strategy



d. Growth and margin-accretive portfolio



e. Operational excellence

More on page 15

Our strategic enablers



i. Living our customer-centric culture



ii. Disciplined performance management



iii. Superior technology



iv. Energising our people



v. Delivering sustainable results

More on page 15

Principal risks

1 Reputation

2 Customer service

3 People retention

4 Macro-economic

5 Health, safety and wellbeing

6 Industry and competitive landscape

7 IT systems and data security

8 Covid-19

9 Contracting

10 Regulatory and political landscape

11 Business Ethics

12 Sustainability

13 Financial Risk

More on pages 44-49

Section 172 statement
Continued

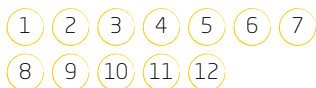


Customers

Link to strategy & risk



Principal risks



Further reading

Read more on pages 80 to 85

Their material issues/ priorities

- Global supply chain disruption.
- Consistent high quality work.
- Speed of service delivery.
- Safety in workplaces.

Why and how the Board engages

- We have a proven track record of innovating and anticipating the growing needs of our customers, constantly evolving and improving our customer proposition to meet their changing needs and the changing world around us.
- We offer our customers a unique risk-based approach to Quality Assurance, supporting them to thrive in an increasingly complex world. It is their changing needs that drive our approach to innovation and we are constantly learning from their feedback so that we can deliver 'ever better' solutions to their needs and requirements.
- Customer-centric entrepreneurial culture putting the customer first.
- Regular reports to the Board.
- Data Intelligence Benchmarking by site, service, and customer.
- Net Promoter Score listening to c.6,000 customers per month.
- 846 Quality Assurance ('QA') customers were contacted, globally, across all key business lines to ascertain the key drivers when choosing a trusted QA provider.

Outcome of engagement

- Launched a new Intertek CarbonZero™ certification programme and issued the first CarbonZero™ certification in April 2021.
- Developed Tradeable – a portfolio of pre-shipment solutions to help customers mitigate trade-related risks enabling them to trade with confidence.
- By engaging with our customers we were able to understand the key drivers for our customers when choosing a trusted QA provider. In turn, we are able to ensure that our brand proposition remains aligned, and we continue to be the QA provider of choice for our customers.
- 59% of our customers view us as a partner, or both a partner and supplier. This insight enables us to concentrate our efforts on the opportunity to build stronger partnership relations.



Intertek does a good job at understanding us and working with us to deliver what we need."



An expert in their field."

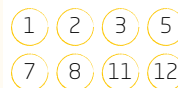


People

Link to strategy & risk



Principal risks



Further reading

Read more on pages 73 to 79

Their material issues/ priorities

- Safe laboratory and office working environments.
- Employee engagement, wellbeing and mental health support during the pandemic.
- Job security.
- Ethical practices.

Why and how the Board engages

- Our core strength is, and always will be, our people. They are key to bringing quality, safety and sustainability to life for an ever better world.
- We recognise our employees' contribution to the success of our customers' products, services and operations. They drive our growth; delivering global solutions locally to build strong local relationships, in local languages and fuelled by their deep understanding of local culture and customer priorities. We have an experienced, entrepreneurial, diverse workforce with outstanding talent for innovation, which enables us to deliver our services with precision, pace and passion.
- Regular updates to the Board on the Covid-19 pandemic across the Group to closely monitor our people's health and wellbeing using a '5-category' system.
- Updates on our people at every board meeting and extensive discussions on people, talent planning and culture throughout the year.
- Understanding the continuing uncertainty the pandemic has brought and supporting our people and the wider community.

Outcome of engagement

- Launched a new global wellbeing programme, Kindness; a personal experience that will help build our own personal strength and resilience, in turn helping our people to re-energise, boost their wellbeing and unleash their potential.
- Specific Covid-19 HSE policy adopted globally, which is regularly reviewed and updated to align with local restrictions and practices.
- Best practices to engage with remote-working employees.
- Intertek Hero videos recognising our colleagues and their contributions.
- Family days arranged at sites across Intertek.
- Decisions taken to pay dividends.
- Joined the Valuable 500 to ensure those with disabilities experience our culture of inclusiveness at every stage, to ensure we create an ever-more diverse and inclusive employee population.

Section 172 statement Continued



Suppliers

Link to strategy & risk



Principal risks



Further reading

Read more on page 169

Their material issues/ priorities

- The viability of Intertek as a customer.
- The quality of products and their own supply chains.
- How to deliver services remotely in line with local restrictions due to the pandemic.

Why and how the Board engages

- As a global company, we have a strong agenda on sourcing responsibly and are passionate about ensuring our supply chain operates likewise and improves the lives of workers, their communities and the environment, and in making a positive contribution to human rights.
- We work with suppliers all over the world and we are committed to treating them fairly and maintaining the highest standards of respect and integrity in how we conduct ourselves every day, everywhere and in every situation.
- The Board has important regard to its suppliers, even more so since the pandemic has highlighted the importance of supply chain strength, which was reinforced by the Gartner survey, issued in February 2021, which found that 87% of supply chain professionals will look to invest in supply chain resiliency within the next two years.
- Operating by 'Doing the Business the Right Way'.
- Managing supplier relationships and assessing their labour practices, anti-bribery, corruption and sustainability.
- Regular reports on Risk, Control, Compliance and Quality to the Board.
- Reviewing the culture operating across the business.

Outcome of engagement

- The ongoing focus on 'Doing Business the Right Way' and annual Code of Ethics training across the Group.
- The Intertek Sustainable Procurement Policy demonstrating our commitment to an ethical, sustainable approach to the supply chain.



Investors

Link to strategy & risk



Principal risks



Further reading

Read more on page 121

Their material issues/ priorities

- Long-term strategy and business model.
- Financial performance.
- Governance.
- Sustainability.
- Risk management.

Why and how the Board engages

- We are responsible to the Company's shareholders for the proper conduct and success of the business and our shareholders play an important role in monitoring and safeguarding the governance of the Group. We do everything for the benefit of our shareholders, whether they are large institutions or private shareholders, financially through the returns we generate for them and reputationally through the way we operate.
- The Chairman holds a meeting with shareholders to discuss Corporate Governance annually.
- Two shareholder consultations were undertaken throughout the year; one prior to the Remuneration Policy vote at the Annual General Meeting ('AGM') and one post the AGM to consult with any shareholders who voted against the Remuneration Policy.
- Feedback from all such meetings with shareholders is given to the Board.
- Regular investor relations updates to the Board.
- The 2021 AGM facilitated the participation of shareholders virtually via Microsoft Teams enabling them to ask questions and ensuring their wellbeing, safety and inclusivity whilst UK social distancing restrictions remained in place. All members of the Board attended the AGM.

Outcome of engagement

- The feedback from the meetings the Chairman had with shareholders was positive and the shareholders continue to be supportive of Intertek's strategy, the management and the Board.
- The outcome from the shareholder engagement on remuneration is outlined in the letter from the Chair of the Remuneration Committee on pages 136 to 137.
- Decision to pay the full year and interim dividends.
- Focus on carbon emission reduction plans.

Section 172 statement

Continued



Communities

Link to strategy & risk



Principal risks



Further reading

🕒 Read more on pages 92 to 94

Their material issues/ priorities

- Safety in the workplace, in public places, on public transport and at home throughout the pandemic.
- Local employment.
- The environment and our impact.

Why and how the Board engages

- We are committed to supporting the communities in which we operate and wider society as a whole as a force for good. Our sustainability, growth and innovations, as well as the services we provide to our customers, generate direct and indirect benefits for communities in which we operate.
- We recognised the concerns of communities on returning to workplaces during the pandemic, using public places and transport. The Board then supported the rapid development of services to provide assurance to the wider community.

Outcome of engagement

- Joined the LEAF (Lowering Emissions by Accelerating Forest finance) Coalition to contribute to accelerating the pace and scale of global forest protection, in turn complementing our own commitment to reaching net zero emissions as part of our carbon-light earnings model. In addition, in October, we became a member of the 'Get Nature Positive' campaign, a voluntary coalition of businesses committed to restoring the natural world.
- Launched our BBEB.com digital platform, which enables our people to create their own community BBEB space and engage with their friends, families, neighbours, and colleagues to inspire their community to become ever better.
- Launch of POSI-CHECK, part of our Protek offering, a new audit solution to help in the Prevention of the Spread of Infection ('POSI') in restaurants, supermarkets, schools and other facilities.
- In April 2021, launched Intertek's first ever Trash Tag challenge, in honour of Earth Day, to pick up and properly dispose of rubbish while out in nature. In the US, eight laboratories took part. The Michigan Transportation Technologies team alone cleared up a 4-mile stretch of highway collecting a total of 113 bags (with enough car parts to build a new vehicle).



I want to leave the world a better place for the kids, so they can always have a place as serene and gorgeous as this...to clear their minds and feel peaceful."

Kerry Tapio

Director, Automotive Product Certification

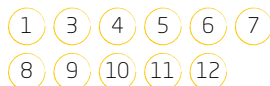


Government and Regulators

Link to strategy & risk



Principal risks



Further reading

🕒 Read more on page 168

Their material issues/ priorities

- Compliance with local laws and regulations.
- Impact on wider society and on the environment.
- Safety in the workplace, in public places, on public transport throughout the pandemic.
- Quality of products being used by key workers.

Why and how the Board engages

- 'Doing Business the Right Way' is part of who we are and as a responsible business, we are dedicated to engaging positively with governments and regulators to ensure we are supporting the wider community and complying with global, regional and local regulations.
- Regular reports to the Board on Risk, Control, Compliance, Quality and Corporate Governance.
- The regular review of the viability of the business, the risks it faces and mitigation action plans.
- 'Doing Business the Right Way'.
- Annual review of Modern Slavery and publication of our statement.

Outcome of engagement

- The annual revision and update to the Core Mandatory Controls to ensure that the business operates under essential controls in line with local requirements and the expectations of doing business.
- The annual Code of Ethics training which is updated each year.
- The introduction of new services and cooperation with governments to deliver key services.

Section 172 statement

Continued

(E) The desirability of the Company maintaining a reputation for high standards of business conduct

The accuracy and validity of reports and certificates that we provide, maintaining the trust and confidence of our customers, their customers and others impacted by our work, are important factors which contribute to our success. Integral to this is 'Doing Business the Right Way' and our internal risk, control, compliance and quality programme. This means living our values, having the highest standards of ethics and integrity in how we conduct ourselves every day, everywhere and in every situation.

The programme includes:

- processes, tools and training to ensure that our people work in a safe and inclusive environment;
- the services we provide and the contracts we enter into are delivered with integrity and in line with our commitment to Total Quality;
- a commitment from every colleague to the highest standards of professional conduct; and
- information about managing our risks and doing the right thing for the longer term to deliver our sustainable growth.

We understand the importance of incorporating sustainability principles into our quality and safety management policies and systems: how we capture data to drive operational excellence; consistently improving our services to our customers; adopting the Intertek Sustainable Procurement policy; and ensuring the health and safety of our people.

For more information about:

- how we carry on business responsibly, see pages 18 to 25 of the Strategic Report;
- our safety priorities, policies and performance, see page 73 in the Sustainability Report; and
- our system of internal control including our management of risk, see pages 112 and 134 of the Directors' Report and pages 167 to 169.

Group non-financial information statement

The table below is intended to help our stakeholders understand our position on key non-financial matters in line with the reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. Our reporting on these topics and key performance indicators is contained within this Strategic Report and also in the Sustainability Report.

Reporting requirement	Description, implementation, due diligence, outcomes and additional information	
Environment	Environment	📄 pages 86 to 91
Employees	Nomination Committee report Risk management People and Culture	📄 pages 126 to 129 📄 pages 167 to 169 📄 pages 73 to 79
Social matters	Communities	📄 pages 92 to 94
Human rights	People and Culture	📄 pages 73 to 79
Anti-corruption and anti-bribery	Principal risks and uncertainties Risk management People and Culture	📄 pages 44 to 49 📄 pages 167 to 169 📄 pages 73 to 79
Description of principal risks and impact of business activity	Principal risks and uncertainties Task Force on Climate-related Financial Disclosures Section 172 statement	📄 pages 44 to 49 📄 pages 50 to 54 📄 pages 55 to 61
Description of the business model	Our business model	📄 pages 18 to 25
Key Performance Indicators	Financial KPIs Non-Financial KPIs	📄 pages 26 to 27 📄 pages 28 to 29

The Strategic Report was approved by the Board on 28 February 2022.

On behalf of the Board



André Lacroix
Chief Executive Officer

Sustainability Report

We are a force for good in the world.
This is what drives our people,
and what drives us as a business.



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Achieving 'ever better' performance, and acting as a force for good, depends on having an organisation that is truly diverse and inclusive, and on empowering our people.

Empowered

How we do it on pages 73 to 75

Create opportunities for learning and knowledge sharing across the Group.

We understand that empowering our colleagues, and creating a culture that enables them to grow, develop and innovate, is how we will move faster along our good-to-great journey. We ensure that every team in every site has access to the insights they need for effective decision making to drive our sustainability agenda throughout the organisation, and offer them the wide range of technical training, education and support they need.

How we do it on pages 76 to 79

Committed to the highest standards of fairness, respect and safety.

Our approach to inclusion and diversity facilitates a culture of inclusiveness across Intertek where people are able to perform at their best. It's a culture in which colleagues know their views, opinions and talents are respected, harnessed and not discriminated against. Our diverse workforce helps us to understand, communicate and trade effectively with our vast client base through a strong understanding of local issues and cultures.

Inclusive

Responsible

'Ever better' in terms of environmental and social impact.

Quality and safety are part of our purpose, and form the cornerstones of our sustainability programme, which is aligned with internationally recognised standards on health, safety and the environment. We are deeply committed to operating with integrity by 'Doing Business the Right Way' and look to understand our organisation's impacts on the environment and mitigate them in regard to climate change, and our use of resources.

How we do it on page 168

Chief Executive Officer's Sustainability letter

Creating Sustainable Value for all



André Lacroix
Chief Executive Officer



//

For us, sustainability excellence means much more than achieving net zero."

In the last few years, I shared my views on how sustainability had become the movement of our time, given the multiple challenges faced by the planet in the 21st century. In the last two years, Covid-19 has been a catalyst for deep changes in society with more and more people believing that we all need to build back an ever better world.

The need to build back better from the pandemic has made sustainability a priority, and it is sustainability in the widest sense: being better for the environment, better for people and communities, doing better business, building a better and fairer future for all.

This greater understanding of what it means to be truly sustainable is fully aligned with our view at Intertek.

For us, being truly sustainable means much more than achieving our net zero targets and is about demonstrating Sustainability Excellence end-to-end in each of our operations. Importantly Covid-19 has shown how critical quality, safety and sustainability are to global supply chains, and how vital health and wellbeing are to all of us – individuals, businesses and policymakers – making what we do at Intertek for our clients more critical than ever.

Our unique approach to Sustainability Excellence

Sustainability is central to everything we do. It starts with our purpose – of bringing quality, safety and sustainability to life – and our strong values. It is in the leading solutions we provide to our clients to help them to create a safer, more resilient and more sustainable world. It is in our own corporate sustainability agenda – including our net zero targets and our "beyond net zero" goals.








Importantly, being sustainable for Intertek goes beyond what we do and includes how we do it and how we take responsibility and accountability for it. We strongly believe that 'Doing Business the Right Way' with a systemic approach is the only way to deliver sustainable value to all stakeholders: customers, employees, suppliers, shareholders, regulators and communities.

Our sustainability agenda is underpinned by our strong corporate and sustainability governance framework, and by our integrated risk, control and compliance approach.

Chief Executive Officer's Sustainability letter

Continued

To ensure we live up to the same high sustainability standards against which we certify our clients, we report against our Total Sustainability Assurance ('TSA') corporate sustainability standards. Our TSA programme is based on the ten standards that we believe define a truly sustainable organisation:

-  Quality & Safety
-  Risk Management
-  Enterprise Security
-  Compliance
-  Environment
-  People & Culture
-  Communities
-  Governance
-  Financial
-  Communications & Disclosures

The TSA standards go beyond the criteria that are commonly looked at by ESG rating agencies to include other factors that stakeholders and investors should consider when evaluating an organisation's sustainability, including business resilience, risk appetite, enterprise security and sustainability of growth and earnings.

Finally, we know that transparency drives accountability and so we are committed to increasing our sustainability disclosures.

This end-to-end, systemic framework is what we call "Sustainability Excellence" and we believe it is the way to create sustainable value for all our stakeholders. I am delighted that this year our sustainability report is structured in line with our framework, making it easier for our stakeholders to fully understand our sustainable business model and how we bring quality, safety and sustainability to life.

Highlights of our progress in 2021

Supporting our clients on their sustainability agendas

For our clients, the sprint to net zero is real, and corporations everywhere are having to reinvent the ways in which they reduce their carbon footprint across their entire operations. At the same time, they are having to address how they communicate their progress, with independent verification of their carbon emission reductions as well as key aspects of their sustainability journey.

In 2021, thanks to the Science-based Customer Excellence of our people, we have continued to innovate in order to deliver comprehensive operational and corporate sustainability solutions to our clients. Our Total Sustainability Assurance offering now covers three distinct areas:

- Intertek Operational Sustainability Solutions, a portfolio of industry-specific and -agnostic solutions, including CarbonClear™, SourceClear™ and our new independent carbon-neutral certification for products and services, CarbonZero™, which launched in April 2021.
- Intertek ESG Assurance, which supports our clients on all aspects of their ESG reporting journey.
- Intertek Corporate Sustainability Certification, the world's first corporate sustainability audit and certification programme.

Progress on our own sustainability agenda

At Intertek, we live by the same values that our products and services enable our clients to embrace. Our sustainability journey is well underway, with a focus on working with our stakeholders to create something bigger and better for everyone in the world.

We are now part of the LEAF (Lowering Emissions by Accelerating Forest Finance) Coalition, a new initiative providing finance to countries committed to protecting their tropical forests. We have also become a member of the 'Get Nature Positive' campaign, a voluntary coalition of businesses committed to restoring the natural world, demonstrating our commitment to a greener future.

We made progress in 2021 in terms of reducing our carbon emissions and moving forward, we will include yearly carbon emissions reduction targets in short-term incentives for all our employees.

Our sustainability targets go beyond net zero and we have set targets for the entire organisation in the areas of customers satisfaction, diversity and inclusion, health and safety, compliance, employee turnover and engagement.

Our effort and ambition has been recognised by leading industry bodies. We were included in the FTSE4Good Index for the fifth year running and have received the highest possible 'AAA' ESG rating from MSCI, the world's largest provider of ESG indexes.

This year, we unveiled our exciting new initiative, Building Back Ever Better – with our #BBEB platform: bbeb.com. The purpose of the platform is to create a truly global community-based movement that will help and influence people around the world to create their own local community spaces in their local languages, and inspire friends, family and public institutions.

Already our employees have used the platform to share projects they have been involved in and on topics that matter to them. In addition, our employees have engaged with 74 community projects, of which 24 are specifically environmental campaigns.


A force for good

After Covid-19, we all understand the need to build back an 'ever better' world with higher quality, safety and sustainability standards. Consumers want more sustainable products, supply chain simplicity, visibility and traceability of goods, new solutions for hygiene, health and wellbeing, as well as lower carbon emissions. Our clients are on their own race to net zero and are pursuing reductions in their carbon footprints across their whole operations. There has never been a time when our purpose of bringing quality, safety and sustainability to life has been more relevant.

We are deeply committed to our sustainability agenda and we all continue to deliver sustainable value for all our stakeholders; customers, employees, suppliers, shareholders, regulators and our communities. Sustainability is central to everything we do and we can proudly say that Intertek is an amazing force for good.


0.51

Total Recordable Incident Rate

 More on page 73


6,000

Average NPS interviews per month

 More on page 80


4.35

Operational emissions intensity CO₂ per employee (market-based)

 More on page 88


13%

Voluntary Permanent Employee Turnover rate

 More on page 74


23%

Women in senior management

 More on page 29

94%

Compliance training completion by eligible employees

 More on page 29

Sustainability highlights

2021 Highlights

Sustainability is central to everything we do and we demonstrate our commitments and passion to help our clients make a difference as well as bettering ourselves every day.

21%

reduction in incidents since 2019

[More on page 73](#)

44,063

employees across 100 countries

[More on page 22](#)

6%

increase in women in senior management roles since 2017

[More on page 76](#)

400,000

Through our vast reach across our 400,000 customers and the industries which they occupy, our services help contribute to progress across all of the UN Sustainable Development Goals

[More on page 25](#)

2021

Build Back Ever Better launched, creating a community-based movement to build an 'ever better' world

[More on page 95](#)

74

Ever better community projects delivered by our employees

[More on page 92](#)

Memberships and programmes

We are a participant in the LEAF (Lowering Emissions by Accelerating Forest Finance) Coalition

The LEAF Coalition
Lowering Emissions by Accelerating Forest Finance

We are a member of the 'Get Nature Positive' campaign



We are an accredited Living Wage Employer in the UK



Member of the Valuable 500



Race to Zero participant



Sustainability highlights

Continued

ESG Credentials

We actively participate in a range of global ESG ratings, indices and frameworks to benchmark our approach against best practice and emerging sustainability challenges.



In 2021, Intertek received a rating of 'AAA' in the MSCI ESG Ratings assessment¹



We were included in the FTSE4Good Index for the fifth year running



Intertek are rated "Prime", fulfilling ISS ESG's demanding requirements regarding sustainability performance in our sector²



In February 2021, Intertek was rated by Sustainalytics³



Intertek participates annually in CDP's Climate Change Programme

1. [msci.com/notice-and-disclaimer](https://www.msci.com/notice-and-disclaimer)
2. [issgovernance.com/esg/ratings](https://www.issgovernance.com/esg/ratings)
3. [sustainalytics.com/legal-disclaimers](https://www.sustainalytics.com/legal-disclaimers)



“
Today, the expectations of all stakeholders, including our employees, customers, investors and wider society, continue to rise. Providing transparency in our reporting is a key focus on the journey to Total Sustainability.”

Ida Woodger
Head of Sustainability

A sustainable business is focused, competitive, resilient and agile. It is a business that thrives throughout economic and social cycles. Environmental, social, governance and commercial issues are often connected; they are part of a complex dynamic system that is constantly evolving.

Our sustainability journey is well underway but with the urgency of climate change and the need to create a more inclusive world for all, we must raise the bar for ourselves, our customers and the communities around us.

The following pages will demonstrate how we bring quality, safety and sustainability to life and provide our stakeholders with a transparent account of the progress we have made on the most material sustainability issues the Group faced during 2021.

Who we are, as a purpose-led business, informs everything we do and how we do it. By investing in our own operations and our people, we create the innovations and Total Quality Assurance solutions we offer to our customers. This in turn supports our customers in meeting their product or service quality, safety and sustainability goals, which makes for a better, safer and more sustainable world, creating sustainable value for all.

This is underpinned by our governance, risk management processes and our Total Sustainability Assurance ('TSA') programme.

Applying the principles of the TSA programme helps us to guide and frame our own Sustainability Excellence approach, identify actions to improve our sustainability and assurance of our entire value chain, delivering real, robust and measurable value to our stakeholders.

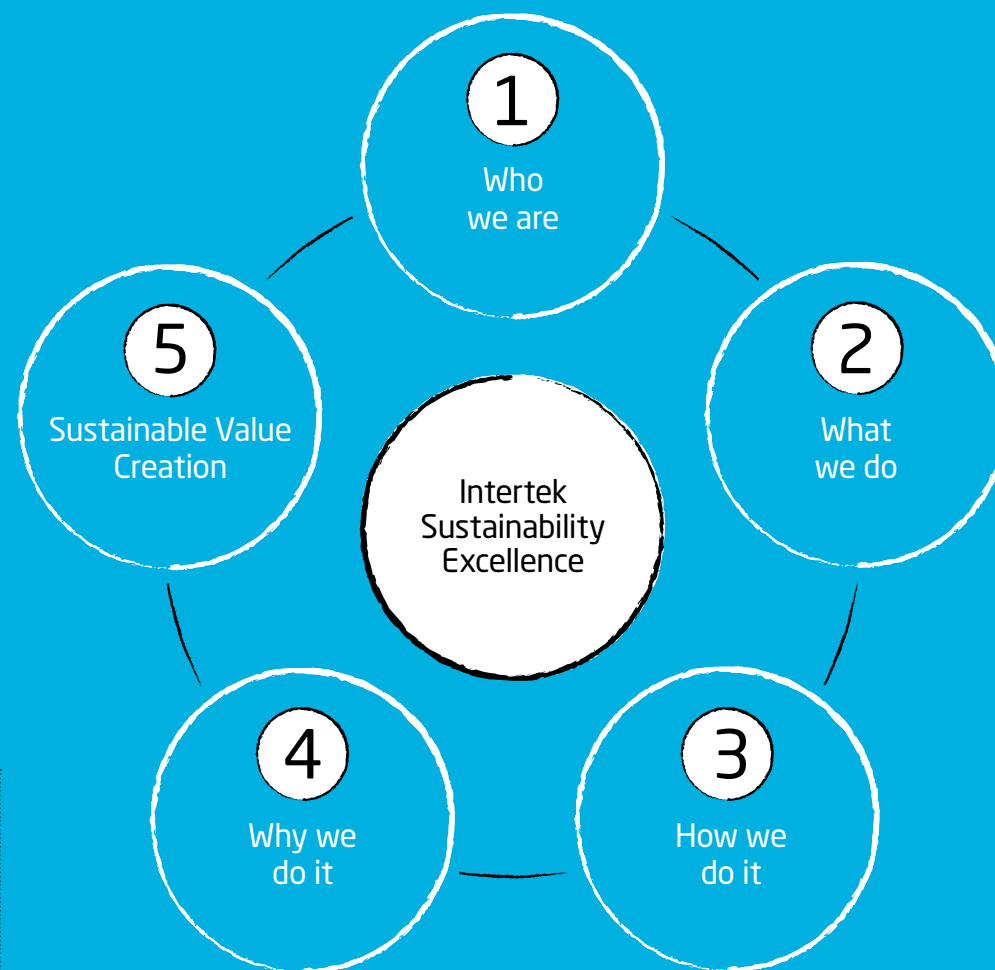
The expectations of all stakeholders, including our employees, customers, investors and wider society, continue to rise. Our TSA definition of what it means to be a sustainable company includes – and goes beyond – ESG and net zero, and we believe that this approach demonstrates our 'ever better' commitment to total transparency and accountability to our stakeholders.

Sustainability is key to our 5x5 strategy, underpinning our day-to-day activities and behaviours, and we know that Intertek is ideally positioned globally to have a positive impact on the challenges facing the world.

Sustainability Excellence

Our framework

At Intertek, we live by the same values that our wide range of sustainability services enable our clients to embrace. We are committed to leading by example with our own Sustainability Excellence framework, implemented in every operation.



1 Who we are
[More on page 69](#)
 We are a purpose-led company living up to our strong values every day

2 What we do
[More on page 70](#)
 We provide 'ever better' industry leading ATIC solutions for our clients for a safer and more sustainable world

3 How we do it
[More on page 71](#)
 Our Ever Better systemic approach to sustainability excellence at Intertek

4 Why we do it
[More on page 95](#)
 We are passionate about creating an 'ever better' world for future generations

5 Sustainable Value Creation
[More on page 96](#)
 We are an amazing force for good in the world, delivering sustainable growth for all stakeholders

Underpinned by

<p>Governance</p> <p>We are committed to the highest standards of corporate governance to successfully deliver long-term sustainable growth and shareholder value.</p> <p>More on page 98</p>	<p>Risk</p> <p>We build resilience through systemic risk governance practices to assure a strong culture of risk-based business management.</p> <p>More on page 167</p>	<p>Total Sustainability Assurance</p> <p>Provides the definition of what it means to be a sustainable company and demonstrates our 'ever better' commitment to total transparency and accountability to our stakeholders.</p> <p>More on page 170</p>	<p>Transparency</p> <p>Total transparency with robust disclosures and relevant targets aligned to corporate strategy is key to how we demonstrate sustainability accountability to our stakeholders.</p> <p>More on page 171</p>
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Sustainability Excellence
Continued

1 Who we are

We are a purpose-led company living up to our strong values every day.

Our Purpose

Bringing quality, safety and sustainability to life.

Our Vision

To be the world's most trusted partner for Quality Assurance.

In our work, we help corporations address the complex quality, safety and sustainability challenges they face. But our approach does far more than help businesses resolve the emerging risks in an ever-more complex world. By bringing quality, safety and sustainability to life, it also helps to safeguard the legacy that we will all leave to the next generation. This is what drives every one of our global network of 44,000 colleagues in the work they do every day, from testing toys to inspecting power stations, certifying vaccines to providing end-to-end Quality Assurance. It is also why our clients trust us to help them benchmark and improve the quality, safety and sustainability of their products, operations and services.

As a company, we are truly committed to becoming ever better in every aspect of what we do. That goes beyond simply seeking ways to constantly improve our operations for enhanced efficiency and effectiveness. It also means researching and innovating to improve how we create and provide our industry leading services, enabling our 400,000 clients to become ever better, too. In this way, we are also helping them to progress their sustainability agendas, giving them the tools to manage and mitigate risk and act responsibly for the wider benefit of society.

Our Values

- > We are a global family that values diversity.
- > We always do the right thing, with precision, pace and passion.
- > We trust each other and have fun winning together.
- > We own and shape our future.
- > We create sustainable growth. For all.



Sustainability Excellence
Continued



What we do

We provide ever better industry leading ATIC solutions to our customers to help them create a more resilient and more sustainable world.

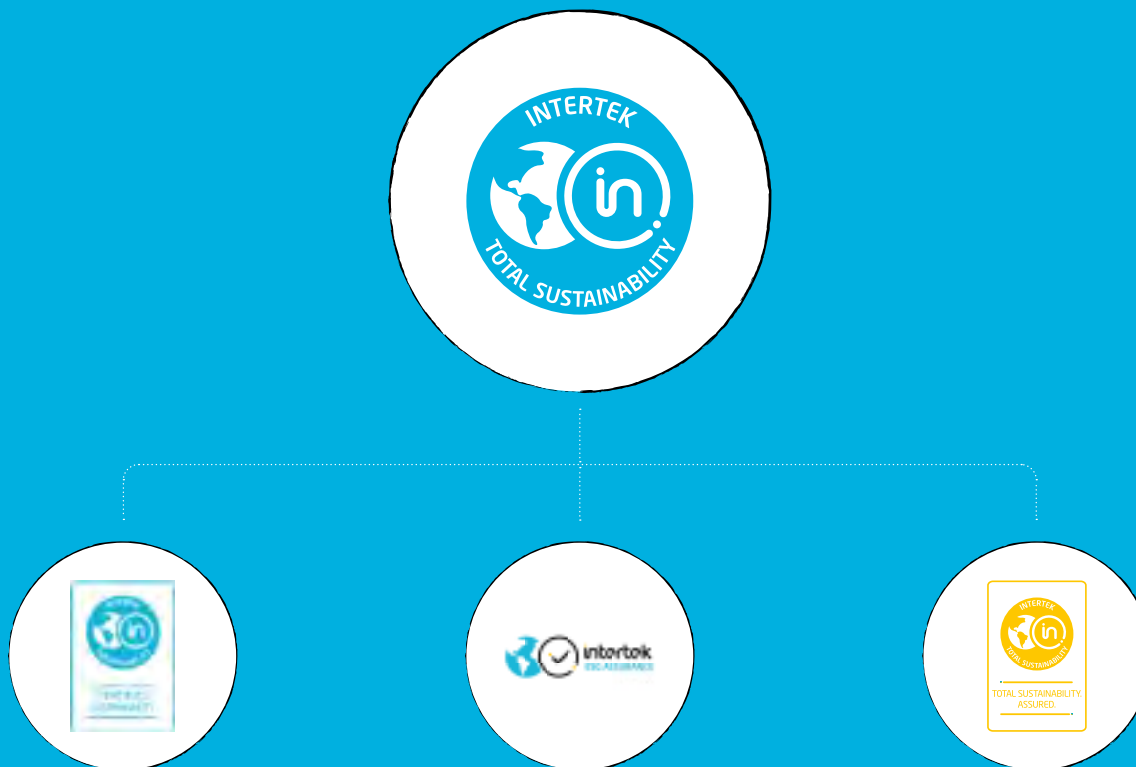
As a customer-centric organisation with industry leading technical knowledge in each of our operations, we are always looking for ever better ways to deliver superior ATIC – Assurance, Testing, Inspection and Certification – services to our clients, enabling them to build stronger businesses.

Organisations are facing increasing challenges from growing complexities across their value chains, as well as consumer expectations of corporate responsibility. Today our clients are looking for a systemic, independent end to end assurance on all aspects of their sustainability journey.

Our answer is Intertek Total Sustainability Assurance, a holistic programme empowering our customers to achieve sustainability excellence across all aspects of their business and communicate results with confidence.

Intertek Total Sustainability Assurance is comprised of three parts: Operational Sustainability Solutions, ESG Assurance and Corporate Sustainability Certification.

Intertek Total Sustainability Assurance



Operational Sustainability Solutions

These are designed to help our customers achieve sustainability excellence in all parts of their operations, including across the supply chain. Our broad portfolio of industry-specific and industry-agnostic solutions is continuously evolving, and recent breakthrough innovations include CarbonClear™, CarbonZero™ and SourceClear™.

[intertek.com/sustainability/operational](https://www.intertek.com/sustainability/operational)

Intertek ESG Assurance

With this programme, we support our clients on all aspects of their ESG reporting journey and non-financial data needs. Support ranges from strategy setting to preparing reports and providing independent verification of sustainability disclosures and reporting. This allows our customers to communicate with total confidence with their stakeholders on all aspects of their ESG journey.

[intertek.com/sustainability](https://www.intertek.com/sustainability)

Corporate Sustainability Certification

The world's first independently verified corporate sustainability audit and certification programme is based on the ten standards that we believe define a truly sustainable organisation from a company strategy and corporate governance perspective.

They go beyond the criteria that are commonly looked at by ESG rating agencies to include other factors that stakeholders and investors should consider, including business resilience, risk appetite and enterprise security.

[intertek.com/sustainability/corporate](https://www.intertek.com/sustainability/corporate)

Sustainability Excellence Continued

3

How we do it

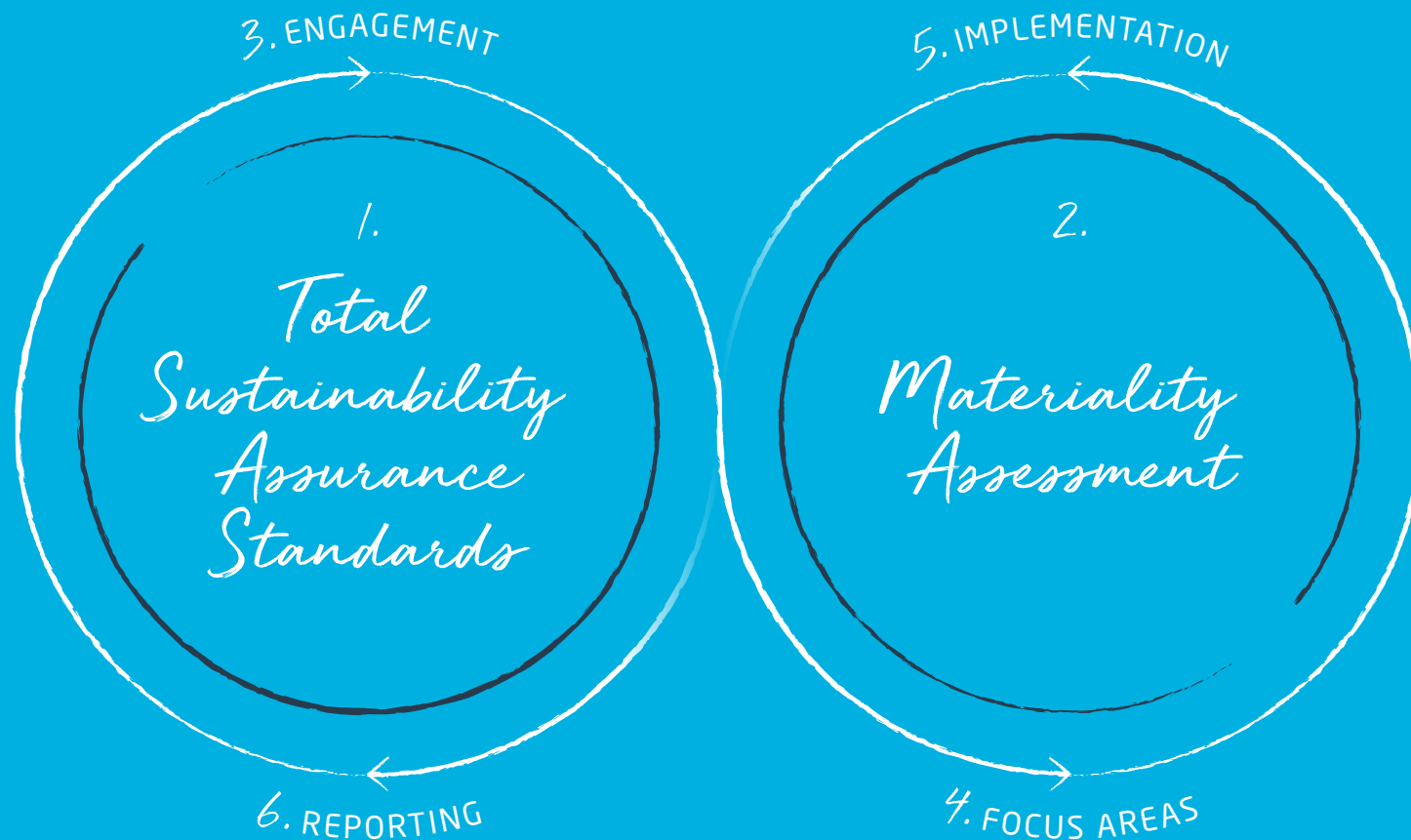
At Intertek, we are focused on sustainability excellence in every operation, and as a purpose-led organisation we hold ourselves to the same ten Corporate Sustainability Certification standards to which we certify our clients.

We believe that 'Doing Business the Right Way' with a systemic approach is the only way to deliver our corporate goals and create sustainable value for all stakeholders.

Our 'Ever Better' systemic approach is based on the Total Sustainability Assurance Standards, which provide the definition of what it means to be a sustainable company, end-to-end. We recognise the importance of determining and prioritising the key sustainability topics relevant to the business and our stakeholders and develop our focus areas through ongoing engagement. Processes and procedures are implemented and we report progress through this report, our website and through continued engagement with our stakeholders.

This dynamic 'Ever Better' systemic approach provides valuable insights which in turn enable us to align our sustainability initiatives and prioritise our focus areas.

An 'Ever Better' systemic approach



Focus areas



People and Culture

[More on page 73](#)



Working with our Customers

[More on page 80](#)



Environment

[More on page 86](#)



Communities

[More on page 92](#)

Sustainability Excellence
Continued

1. Total Sustainability Assurance Standards



The Total Sustainability Assurance ('TSA') programme is based on ten corporate sustainability standards that we believe define a truly sustainable organisation today. We believe that these TSA standards are the most comprehensive sustainability standards currently available.

The TSA standards form the foundation of how we approach sustainability, challenging us to view our processes and procedures through this end-to-end lens.

Ten Corporate Sustainability Certification Standards

Quality & Safety

People & Culture

Communities

Governance

Risk Management

Compliance

Financial

Environment

Enterprise Security

Communications & Disclosures

To see more on TSA Standards visit intertek.com/sustainability/corporate

2. Materiality

We recognise the importance of determining and prioritising the key sustainability topics relevant to the business and our stakeholders. In 2019, we conducted an independent materiality assessment to ensure that views and emerging trends are being addressed by Intertek. The methodology was aligned to AccountAbility's AA1000 Principles, the GRI Standards, IIRC, CDP, UN SDGs, DJSI and SASB guidelines. The process ensured that all relevant topics have been considered appropriately within the scope of the study.

We believe that the material topics identified remain true, although some matters have been given more prominence to reflect their increasing importance to stakeholders. We have addressed these within our Focus areas.

Our Material Topics

Working with customers

Employee care

Diversity and inclusion

Environment

Societal impact

Human and labour rights

Customer and product responsibility

Compliance and legislation

Privacy and security

Governance

3. Engagement

We have always understood our role in society as companies around the world have depended on us to help ensure the quality, safety and sustainability of their products, processes and systems.

Engagement with our stakeholders plays a critical role in delivering long-term success. This dynamic process provides valuable insights which in turn enable us to align our sustainability initiatives, drive progress against our Beyond Net Zero goals and prioritise our focus areas.

5. Implementation

Sustainability is about more than protecting the planet. Taking a broader view on sustainability, we empower our local teams to address solutions within their communities and create opportunities to support a promising future for the next generation.

Our Sustainability Excellence framework is underpinned by the highest standards of corporate governance, our systemic risk management processes and our continued evaluation against the TSA standards.

4. Focus areas

Evaluating both the requirements of the TSA standards and our material topics has helped to shape our sustainability strategy.

We provide an update on our progress across the four focus areas of People and Culture, Working with our Customers, the Environment and our Communities.

Although less material, all other topics remain an essential part of our ever better approach and we systematically re-evaluate them to determine whether they have become more material to the organisation or our stakeholders.

6. Reporting

Reporting on our sustainability performance indicators in a consistent and accurate manner is essential to deliver transparency.

We recognise that corporate disclosure and transparency are key catalysts for driving change.

We are committed to providing stakeholders with accurate and timely updates on our sustainability activities and performance and make every effort to produce a report that is balanced and transparent and meets their needs.

Completing external assessments and continuing to engage with our stakeholder demonstrates our commitment to continuous improvement and helps us to prioritise focus areas for the next year.

Sustainability Excellence

Continued



People and Culture

Intertek's first corporate goal is to have fully engaged employees working in a safe environment.

We truly value our people. We embrace diversity, inclusion and equality, and our success is based on a culture of trust among colleagues globally.

Our People Strategy is all about energising our colleagues to take our business to new heights. Employee engagement, human rights and worker health and wellness are core to the long-term success of our business. We strive for a sustainable workforce that is stable, engaged and committed to the organisation, our goals and objectives. We respect and protect the rights of our people across operations and throughout our business relationships.

Our Values

Our values aim to drive how we live every day, supplementing our purpose, how we conduct our business, and underpinning our desire to make the world 'ever better'.



We are a global family that values diversity.



We always do the right thing, with precision, pace and passion.



We trust each other and have fun winning together.



We own and shape our future.



We create sustainable growth. For all.

Ensuring the health, safety and wellbeing of our employees

Only through having fully engaged employees working in a safe environment are we able to deliver our TQA Customer Promise.

Our aim is to encourage a culture of proactive Health and Safety ('H&S') awareness, industry best practice and continuous improvement to increase H&S performance globally. Our Group-wide 'General Safe Working Guidelines' provide the basis for a common and aligned H&S standard for all Intertek sites.

This includes a dedicated fire warden, first aider and H&S representative at each location. These representatives are empowered not only to investigate incidents and implement preventative and corrective actions, but also to disseminate safety information through training and targeting continuous improvement.

With dedicated reporting each month for country and business lines supplemented by inclusion in the 5x5 analysis for every site, our global network of H&S 'Champions' supports continuous improvement. By improving our H&S communication network, we not only have a known contact person in each country and location but also a means of channelling and sharing information and programmes globally.

The Group reacted with precision and pace to the global pandemic and the implications for our employees, forming a Group Covid-19 response team as well as regional teams with the ability to escalate

urgent questions and plans for review and approval. To support our employees further we launched a new and enhanced Group-wide Health & Safety policy, business continuity planning for smart home working and policies on social distancing, hygiene and sanitation as well as personal protective equipment and temperature checks.

We are proud of the passion and commitment our employees have shown to ensure that the essential services we provide to our customers were not disrupted during the Covid-19 pandemic.

With activities normalising in 2021, we saw increased levels of Hazard Observations principally reflecting the increased activity levels across our sites as Covid-19 restrictions eased. We believe the increase in First Aid reporting and Lost Time Incidents are linked to greater awareness and our rigorous approach to reporting and analysis. Though incidents increased year-on-year, a comparison to 2019 shows a decrease of 21%.

Sadly, one fatality was recorded in the United States. This occurred when a Driller Assistant from our Building & Construction business line came into contact with a moving auger.

0.51

Total Recordable Incident Rate ('TRIR')

Group ¹	2021	2020	% change
Hazard Observations	19,172	13,279	44%
Near Misses	3,044	2,852	7%
First Aid	1,043	1,000	4%
Lost Time Incidents	120	65	85%
Medical Treatment Incidents	101	108	(6%)
Fatalities	1	-	+1
Total Recordable Incident Rate ('TRIR') ²	0.51	0.40	11bps

1. Data captured for the Group consists of individuals engaged through Intertek contracts of employment (full- and part-time and those on fixed-term contracts of employment). Excludes JLA and SAI Global Assurance.
2. Rate refers to the number of Lost Time Incidents, Medical Treatment Incidents and Fatalities occurring per 200,000 hours worked.

Sustainability Excellence Continued

The health and safety of our employees and contractors are the utmost priority at Intertek. All of our businesses have robust health and safety training programmes during our induction/onboarding process, emergency responses procedures, intervention and reporting of hazard observations, near misses and safety incidents. We continue to provide appropriate personal protective equipment and continually expand on existing programmes and controls to improve the health, safety and wellbeing of our colleagues.

We are also committed to the continuous review, monitoring and improvement of our H&S performance. Our target remains for our TRIR to equal or be less than 0.5. This target is part of the next phase of our health and safety cultural journey and supports our continued aim to achieve zero lost time incidents.

Workplace mental health

At Intertek, we consider the health, safety and wellbeing including mental health of our employees, clients and third parties connected with our business to be of paramount importance.

For our employees, we created and launched KINDNESS – a pioneering programme designed to boost overall wellbeing, including mental health throughout Intertek. The programme has been widely followed and feedback so far has been very positive.

Covid-19

For us, the health, safety and wellbeing of our people is always our first priority. True to our commitment to put in place the right protections for our people at the right time, we put in place our Covid-19 Employee Health & Wellbeing Policy in early 2020 and have updated it regularly as circumstances and our understanding of the virus have changed.

A number of employees have become ill during the pandemic and it is a matter of great sadness for the whole of the Intertek family that we lost colleagues to the virus. Support was given to the families of these colleagues and to their grieving colleagues and our thoughts are with them.

See more at [intertek.com/about/update-on-COVID-19](https://www.intertek.com/about/update-on-COVID-19)

Talent attraction, reward and recognition

We reach out to prospective employees in a variety of ways, depending on location and role, in compliance with local regulations for fair recruitment practices and equal opportunities. We post vacancies on our website ([intertek.com/careers](https://www.intertek.com/careers)) and employ various ways of sourcing talented people. These include recruitment agencies, social media, printed advertisements, employee referrals, professional bodies and associations, schools, colleges and universities. We are committed to recruiting talent local to our operations where possible. To offer career growth and progression within the Group, we seek wherever possible to fill vacancies from within the business first.

We fully recognise the importance of employee engagement in driving sustainable performance for all stakeholders. In order to measure our employee engagement, we follow the Intertek ATIC Engagement Index which is based on the key drivers of sustainable value creation within our differentiated ATIC business model and which measures engagement on a monthly basis in every operation with the following metrics: Net Promoter Score, Customer Retention, Quality, Voluntary Permanent Employee Turnover and Total Recordable Incident Rate. For 2021, our ATIC Engagement Index score was 79.9%, reflecting a more normal year in respect of our Voluntary Permanent Employee Turnover which impacted the score. We believe engagement levels across the Group are high and our target is to achieve an engagement index score of 90% moving forward.

During the year our Voluntary Permanent Employee Turnover rate returned to similar levels seen prior to Covid-19 with a rate of 13.0%, which is well within acceptable industry standards. As we progress our People Strategy we will continue to aim for a rate below 15%.

Talent management

To seize the exciting growth opportunities arising from our Total Quality Assurance ('TQA') value proposition, we continually invest in the growth of our people. We aim to hire, inspire, engage and retain the best people to power our 5x5 strategy, providing the skills to grow our business.

With an 'ever better' mindset we encourage our people to continuously learn new skills that help advance their careers and deliver our TQA Customer Promise. Our talent-planning process is critical to our future success in delivering our strategy and fostering our culture and values throughout Intertek.

The Board as a whole is responsible for ensuring that appropriate human resources are in place to achieve our long-term strategy and deliver sustainable performance. Global talent and succession planning for the Leadership Team are discussed regularly.

In employment-related decisions, we comply with all applicable anti-discrimination requirements in the relevant jurisdictions. We have zero tolerance for discrimination and harassment.

Reward and recognition

Reward plays a key role in attracting, motivating and retaining talent. Intertek is compliant with minimum wage and mandatory social contributions requirements in all jurisdictions where we operate.

At Intertek, remuneration for all employees follows the same policy and principles as for the senior executives. The Remuneration Committee has oversight of this and you can find more information on pages 138 to 144.

We depend on local management to define and maintain competitive compensation practices that appeal to both existing and future talent.

All employees are remunerated in accordance with local policies and guidelines. The remuneration comprises elements which are fixed, and in some cases, variable. The fixed elements are base salary and benefits including pensions, where applicable. The variable elements include incentives, both short- and long-term.

Across the world, employees who are eligible for a bonus follow the same metrics thus creating alignment on our strategic goals throughout the organisation.

We take every opportunity to recognise great performance across the business through our internal channels.

Case study

Spreading Kindness around the world

Our colleagues' safety and wellbeing are our #1 strategic priority, so last year we were delighted to launch a new global wellbeing programme called 'Kindness'. Kindness is an online resource that helps each of us to make sure that we do the simple things that help build our own personal strength and resilience – enabling us to re-energise, boost our wellbeing, and unleash our potential.

In 2021, we have built on the programme by launching a number of local Kindness-inspired initiatives around the world. For example, Intertek Hong Kong worked with the Hong Kong Federation of Youth Group ('HKFYG'), a Hong Kong NGO that provides youth services, to put together a Wellness CheerUp Kit containing a wide range of items including eye masks, Chinese Herbalist-prescribed tea bags, beautiful Chinese poems with candies, a Zentangle drawing exercise that combines meditation with art, and thank you cards to show our appreciation to our colleagues for their hard work.

In October, Intertek Thailand launched an Employee Assistance Programme ('EAP') with an outsourced online counselling service, iStrong Mental Health Solution, to support employees' mental health. The programme is part of their local initiatives under our Kindness programme, and aims to help colleagues balance the pressures of work with their needs at home and in their personal lives. The counselling services are provided by professional well-trained counsellors and are strictly confidential.

Other local Kindness initiatives during the year have included a series of webinars organised by Intertek South Asia to support employees with their health and wellbeing, along with the opportunity to access professional confidential counselling where needed. Virtual wellbeing sessions were also organised in the MENAP region, covering the topics of mental health, yoga, cancer awareness, and health and nutrition.

Sustainability Excellence

Continued

Skills development

We believe in personal growth for every employee and we know that when each of us is growing and developing, we move faster along our good-to-great journey. Over the years we have made great progress with our Leadership Development agenda.

We now have in place many Group-wide programmes to support this agenda including talent planning processes, the 10X Journey that provides structure for individual growth planning, our 10X Energies that help define winning behaviours and '10X Way!' training to help address key development and training needs. There are many more programmes across the business, providing in-house and external learning opportunities.

All Group employees have access to our '10X Way!' platform or an alternative Learning Management System, enabling them to complete their onboarding, access our '10X Way!' training, and complete mandatory Code of Ethics and compliance, CyberSecurity and Core Mandatory Controls training.

282,600

e-training hours completed through our Learning Management Systems

As we operate across a wide range of sectors, different types of technical training, education and support are required. We offer:

- Apprenticeships
- Internship programmes
- College degrees
- Professional qualifications
- Formal and informal workshops and seminars
- Coaching

Hours spent participating in these training programmes is not currently tracked.

At Intertek, our leaders strive to be of the highest quality in the industry and we believe in the spirit of 'ever better' and know that the ability our leaders have to develop and grow employees in their teams is one of the biggest factors that will influence the exciting growth journey we have ahead of us.

All employees receive adequate coaching, development and training to ensure they are fully competent to carry out their role.

100%

of our employees are offered, as a minimum, yearly discussions on growth and development

Protecting human rights

We are committed to ensuring that our employees are subject to fair working practices and are treated with respect. Within our business, the rights of our employees are respected by the implementation of our Labour and Human Rights policy and Code of Ethics. Intertek's policies and codes are based on and fully respect the International Bill of Human Rights and the International Labour Organization's declaration on Fundamental Principles and Rights at Work and the Children's Rights and Business Principles.

We continually review our approach to human rights to reflect legal developments, emerging issues and to meet societal expectations.

Our Code of Ethics training aims to educate all employees about potential integrity issues, including human rights, bribery, corruption, non-discrimination and employee relations. The Code of Ethics contains clear guidance on the grievance mechanisms and whistleblowing procedures that we have in place. Further information can be found on page 168.

Our Modern Slavery Act Statement, outlining the steps we are taking internally, in our supply chain and through partnerships and advocacy to avert modern slavery and human trafficking is available on our website.

🕒 **Read more at**
[intertek.com/about/compliance-governance](https://www.intertek.com/about/compliance-governance)

Employee representation and consultation

We respect the rights of our employees to form and join trade unions and take part in collective bargaining where this is accepted by local law.

We also take care that employee representatives do not suffer discrimination and that they have open access to members in the workplace. We strictly adhere to tariff structures and arrangements negotiated with trade unions, while we also inform and consult employees on relevant business activities: for example, we respect statutory minimum notice periods and give reasonable notice of any significant operational changes in line with local practices and labour markets. Our affiliates' communication and consultation processes are tailored to local needs.

33% of our employees are represented by independent trade unions or employee representative bodies. We do not report information on employee union membership due to differences in national legislation in countries where we operate.

Case study

Kickstart programme

We are committed to supporting the UK Government Kickstart scheme, an initiative designed to help young people between the ages of 18 and 24, who have experienced unemployment, access work.

Kickstart funds six-month placements with firms for young people who are claiming Universal Credit and are at risk of long-term unemployment.

Our Intertek Checkpoint business supplies Total Quality Assurance services to the Travel and Leisure industry, and is based in Stevenage. Intertek Checkpoint was successful in securing a grant for five placements and have filled four of them so far.

They have also worked closely with a local training company, who assisted in the application, shared connections with the local job centre, and are facilitating 'employability' training for each kickstarter to enhance their CVs in order to help secure employment in the future.

By supporting the Kickstart scheme, Intertek Checkpoint have been able to augment their workforce with young, bright and enthusiastic people.



Sustainability Excellence

Continued



Diversity has always been at the heart of who we are and will continue to provide the power behind our success in the future.”

Inclusion, diversity and gender equality Embracing all talents

At Intertek, achieving ‘ever better’ performance depends on being constantly open to pioneering new ideas that enable us to improve what we do and how we do it. For us, this means having an organisation that is truly diverse and inclusive in ways that extend far beyond the ‘standard’ measurements of race, nationality and gender.

Intertek has a history that goes back over 130 years, evolving from the combined growth of a number of innovative companies from around the globe.

Diversity has always been at the heart of who we are and will continue to provide the power behind our success in the future. With team members from over 100 countries – all with different backgrounds, cultures and beliefs – our diverse workforce makes us the leading company we are today.

We demonstrate that we are an inclusive and diverse global family by applying all employment policies and practices in a way that is informed, fair and objective. This covers all policies relating to recruitment, promotion, reward, working conditions and performance management.

Our Inclusion and Diversity policy facilitates a culture of inclusiveness where people are able to perform at their best, where their views, opinions and talents are respected, harnessed and not discriminated against. We are committed to maintaining the highest standards of fairness, respect and safety.

As a business we want to ensure that we have the right capabilities to deliver our strategy. We recognise the value that individuals of different backgrounds and capabilities bring to the business. Our diverse workforce helps us to understand, communicate and trade with our vast client base through their understanding of local issues and cultures. They add value in assuring our services are tailored to our customer needs, which underpins sales growth, customer retention and satisfaction.

We recognise the importance of gender diversity, in management and across all levels of our business. Following the conclusion of the Hampton-Alexander Review, as well as supporting gender diversity on our Board, we continue to contribute our data on the gender balance across our senior executive team and their direct reports to the FTSE Women Leaders Review and detail it in the table below. The data for 2021 reflects organisation changes which have resulted in fewer layers in the leadership structure.

We will continue to promote and endorse fair, consistent and thoughtful working practices that are in accordance with our values. At Intertek, we are proud to be an equal opportunities employer. We consider all qualified applicants for employment regardless of gender, ethnicity, religion, age, disabilities and other protected characteristics.

We also ensure that men and women are paid equally for doing equivalent roles and we are committed to a number of measures to ensure we provide an energising workplace, free of any gender bias, where employees can flourish based on their talent and effort. To strengthen this, we ensure that our shortlists of external hire candidates have a balance of gender diversity.

We remain committed to equality, and provide flexible working where possible and provide mentorship to women to address the gap in gender numbers at senior levels. It is vital that our workforce represents the best available talent, reflects the communities in which we operate and is free of gender or other biases.

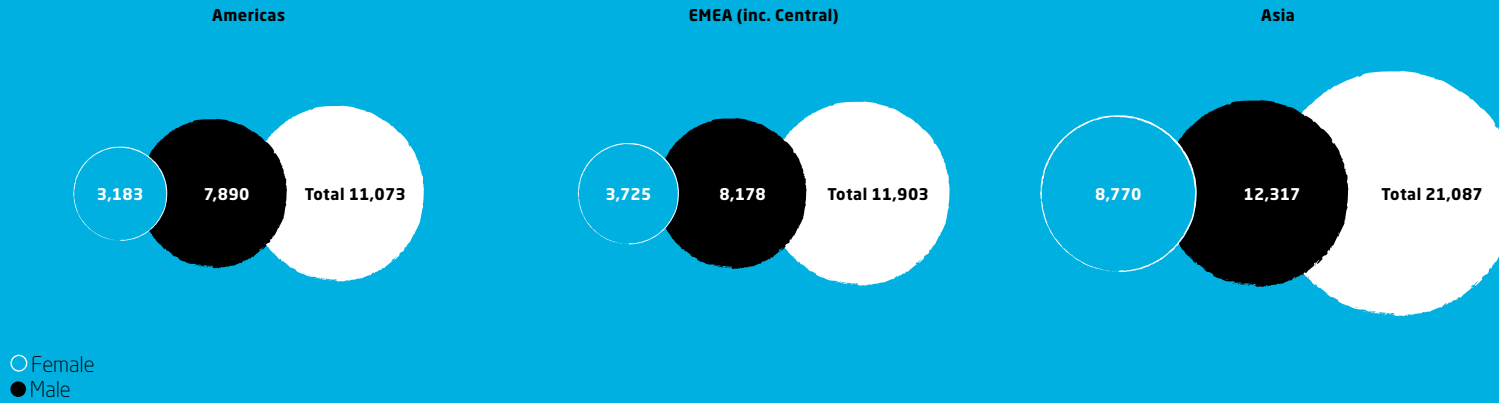
	2021 ¹		2020 ¹	
	Male	Female	Male	Female
Board	6	3	7	4
Executive Management Team ('Exec') ²	17	2	9	2
Direct reports ('DR')	207	65	83	26
Combined: Exec + DR	224	67	92	28

¹ Data relating to the Board and the Exec and DR is as at 31 December and as at 31 October of each year, respectively.

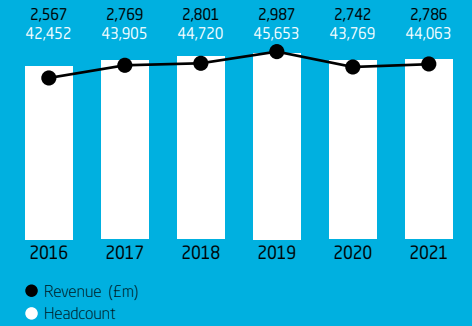
² As defined by the FTSE Women Leaders Review. This comprises the CEO and his direct reports (N-1).

Our Intertek TQA Experts

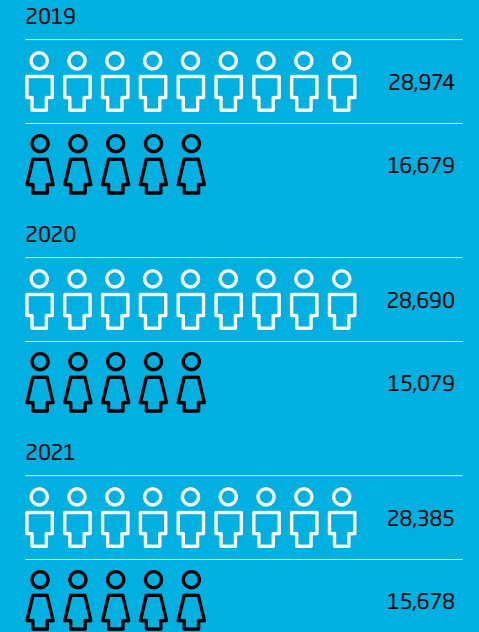
Gender by region



Revenue and headcount



Total employees by gender



Sustainability Excellence
Continued

Our 'Embracing Diversity' model

We promote diversity in all its forms, including gender parity, sexual orientation, disability, as well as having an ethnic and social makeup that reflects broader society.



Diversity measured

Gender diversity

We are determined to develop and retain more women in senior roles.

2021 update

- 6% increase in women in senior management roles since 2017.
- 36% of our global TQA Experts are women.

Our goals

Improving gender balance is critical for us. We continue to focus on gender diversity by attracting, developing and retaining more talented women, particularly at senior levels. The percentage of women in senior management roles has continually increased over the last five years and we continue to pursue our goal to increase this to 30% by 2025.

Diversity measured

Talent across all generations

We value all of our colleagues, regardless of age, and have practices in place to develop and retain workers of all ages.

2021 update

The technical expertise needed in many parts of our complex business is acquired over several years which is reflected in a relatively high average age in parts of our Group. The overall average age is 40.

Our goals

We will continue to develop proactive approaches to recruitment to ensure we have an age-diverse and balanced employee age profile.

Diversity measured

Disability inclusion

Adopting a universal design mindset.

2021 update

We believe that in order to create rapid, system-level change specific to disability inclusion and equity, we must actively seek out opportunities to collaborate with other businesses who hold the same values and are equally committed to affecting change.

Our goals

To adopt a disability inclusive mindset as well as deliver on our commitment to the Valuable 500. This is centred around incorporating disability inclusion criteria into the full spectrum of products and services we offer our clients.

Diversity measured

Cultural diversity (arising from country of origin)

Cultural diversity supports our global business and is key to our success.

2021 update

Our global workforce is representative of the countries in which we operate and our senior leadership represents 48 different nationalities.

Our goals

We are committed to cultural diversity and will ensure that Intertek's colleagues are representative of the countries where we do business.



Sustainability Excellence

Continued

Case study



Valuable 500 – changing business around the world

Furthering our commitment to a more inclusive future for people living with disabilities

As a purpose-led company, Intertek's mission is to make the world a better, safer and more inclusive place. We bring Quality, Safety and Sustainability to life through the work we do, not only for our own business but also for our clients' businesses worldwide. By joining the Valuable 500, we have confirmed our commitment to bringing about systemic change by adopting a disability inclusive mindset, and applying this ethos to our business and the services we offer our clients.

The Valuable 500 remains the only global community of CEOs dedicated to changing business across the entirety of the supply chain for the benefit of persons living with disabilities across the world. It is a growing community that is committed to making disability inclusion a key part of corporate agendas and using business as a force for good. To ensure this happens, each Valuable 500 CEO has agreed to make at least one public commitment to positive action.

Inclusion has long been at the core of everything we do at Intertek. Achieving 'ever better' performance depends on having an organisation that is truly diverse and inclusive in ways that extend far beyond the 'standard' measurements of race, nationality and gender. We work to ensure those with disabilities experience our culture of inclusiveness at every stage – whether they are interviewing for a position with us, or have been with Intertek for a number of years.

Supporting our clients in this area, Intertek Cristal recently launched AccessCheck, an assessment protocol which provides independent verification of how hotels, restaurants, and others in the travel, tourism and hospitality industry meet the accessibility needs of their disabled guests.



We were delighted to be welcomed into the Valuable 500 and will continue to create a truly inclusive workplace at Intertek, while encouraging those we work with to join us in contributing to a more inclusive world."

André Lacroix
CEO



Case study

Inspiring the female engineers of tomorrow

'Introduce a Girl to Engineering Day' is a digital initiative from Womengineer, a Swedish non-profit organisation dedicated to increasing the number of women in engineering. For the second year running, Intertek Sweden took part in the event, welcoming a group of seven girls between the ages of 13 and 19, who logged on to Microsoft Teams for a get-together with some of our female engineering staff. By introducing young girls to the world of engineering, Womengineer aims to inspire them to choose a career in the field. Across the country, more than 1,100 girls and 73 companies took part in the event this year.

Case study

Championing professional growth through pioneering apprenticeships

The UK Intertek Pharmaceutical Services team (Chemicals & Pharmaceutical BL) support some of the World's most innovative gene therapy companies in their drug development activities. We are proud to be part of the pioneering Advanced Therapies Apprenticeship Community that is supporting the development of the next generation of Pharma scientists.

As part of the Cell and Gene Therapy team at the new Manchester laboratory, Lucy Nash has been working as a Technician Scientist apprentice. The training programme she is taking part in has given her valuable practical experience as she continues to study towards a degree. In addition to allowing Lucy to develop professionally and personally, the role has also given her direct experience in the pharmaceutical industry.

Lucy is proud of the role she plays: "I get involved with so many different projects with clients. I don't just make brews for everyone! As an apprentice I carry out actual work, conducting stability testing for clients' drugs, such as testing the shelf life and storage conditions. The apprenticeship is really hands-on, which has grown my confidence with the practical skills I need in the workplace."

Apprenticeships like Lucy's are an opportunity to upskill our workforce as well as a route to recruiting passionate people into our organisation who will positively contribute to the global cell and gene therapy sector. Anthony Upton, Head of Bioanalysis, explains: "As a result of training provided by Intertek and the apprenticeship programme, Lucy has started working on projects, made an important contribution, and demonstrated truly inspirational and winning energies."

Sustainability Excellence
Continued



Working with our customers

Innovative sustainability services have been core to our global business for more than 100 years.

Through our leading-edge innovations and integrated Assurance, Testing, Inspection and Certification ('ATIC') solutions, we are uniquely placed to help our customers understand, achieve and validate their existing and emerging sustainability goals.

Capturing the right data to optimise operations

Identifying and managing risks that can impact our service quality is key to ensuring customer satisfaction. Our 5x5 metrics tool and processes enable the collection and review of performance metrics across the areas of sales, customers, people, finance and operational excellence that are fundamental to disciplined performance management. The 5x5 metrics provide every Intertek site and team leader with 360° insight into their business to guide their decision-making and ultimately lead to superior business performance.

Customer focus

To become the most trusted partner for Quality Assurance, we have made a promise to our customers: Intertek Total Quality Assurance expertise, delivered consistently with precision, pace and passion, enabling our customers to power ahead safely.

Intertek has a strong focus on customers, at all levels of the organisation, and our customer relationship management is integrated into our approach through a key account management structure and dedicated sales teams. Our Marketing & Sales Operations team works closely with business lines and country leadership to drive continued improvements across marketing, sales and digital tools to ensure that every aspect of customer engagement aligns with our TQA Customer Promise.

Customer Promise

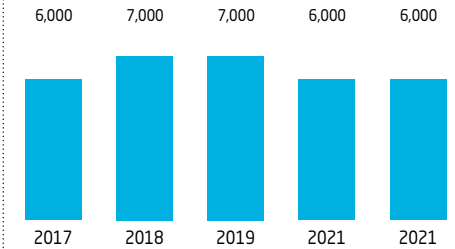
Intertek's Total Quality Assurance expertise, delivered consistently with precision, pace and passion, enabling our customers to power ahead safely.

Listening to our customers

Since 2015, we have used the Net Promoter Score ('NPS') process to listen to our customers. These insights give us a deep understanding of what our customers need and want, fuelling our innovations. Our customer interviews keep us laser-focused on delivering an 'ever better' service. During 2021, we continued to conduct an average of 6,000 interviews each month.

We will continue to aim to conduct at least 6,000 NPS interviews per month.

Average NPS interviews per month



Accelerating positive sustainability impact

Recognising the importance of sharing our own sustainability journey with our customers, we actively engage with requests to support individual sustainability and carbon performance assessments.

EcoVadis recently awarded us with a Silver EcoVadis Medal, placing us in the top 25 percent of companies assessed by them.

We aim to collaborate as a trusted supply chain partner to deliver improvements over the long-term and accelerate sustainability impacts.

Channels of customer interactions



Customer meetings



Workshops and seminars



Emails and phone calls



Social media communications



Web enquiry responses

Sustainability Excellence

Continued

Supporting our customers with their sustainability agendas

Innovative sustainability services have been core to our global business for more than 100 years.

Through our leading-edge innovations and integrated Assurance, Testing, Inspection and Certification ('ATIC') solutions, we are uniquely placed to help our customers understand, achieve and validate their existing and emerging sustainability goals.

Case study

Supporting Saudi Arabia's vision for a thriving economy

Since 2016, Intertek Saudi Arabia has supported the Inspection Technology and Quality Assurance National Institute (ITQAN) by sponsoring more than 100 high-school graduates through one of its training programmes. An independent, not-for-profit training institute, ITQAN aims to inspire young Saudis with a passion for excellence through world-class training. The Intertek-sponsored training is in the field of testing, inspection and certification, and qualifies its graduates to work in the energy sector. This is not only helping to meet market needs; it is also contributing to community growth, helping to reduce unemployment and supporting the Kingdom's workforce and nationalisation efforts in line with Saudi Vision 2030's goals for a thriving economy and vibrant society.

Case study

Promoting quality and traceability of face masks

Since the outbreak of Covid-19, sky-rocketing demand for face masks has resulted in sub-standard and counterfeit masks as well as fraudulent testing reports plaguing the market.

It is often difficult for buyers and wearers alike to identify safe and quality mask products. They could only trust the testing reports provided or claims on the packaging of masks without any means to validate them.

To help our customers communicate the verified quality and performance attributes of their masks while promoting quality and traceability of mask products on the market, Intertek Softlines has created an innovative Mask Label Program. Using a label that shows the testing standard or the guidance and classification attained, this also features a unique QR code that links to verified information, including a full testing report, on our PPE Centre of Excellence Directory.

The Mask Label Program is voluntary and free of charge for customers who have successfully tested their mask products at any of our PPE Centres of Excellence against national and international standards.



An example: Mask Label of Chargeurs



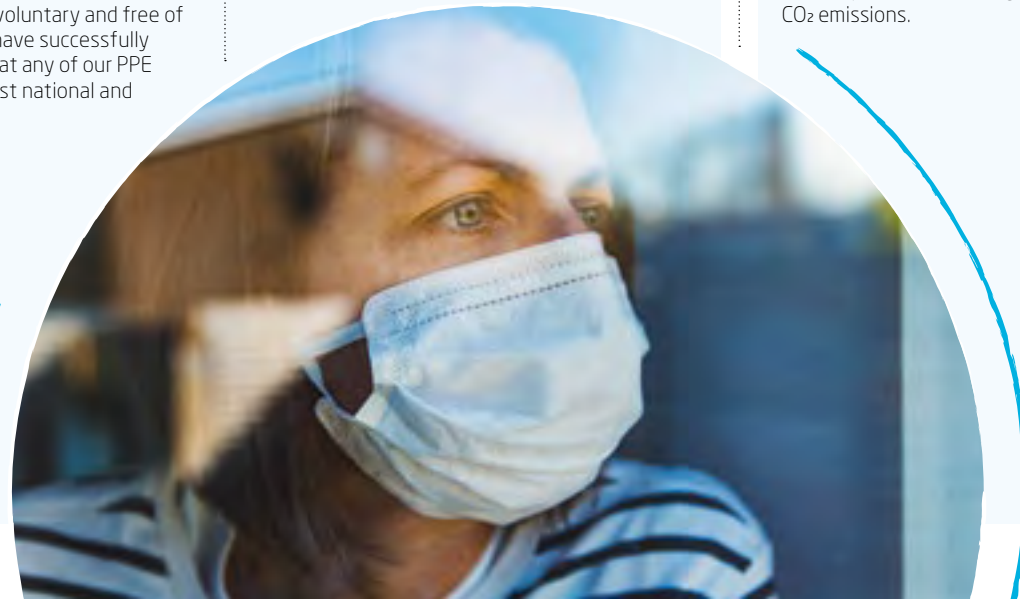
Case study

Lab invests in more sustainable food-testing techniques

Intertek Poland has implemented a new range of accredited testing techniques that are enabling us to significantly reduce energy consumption at our Food Laboratory. This is directly in line with our commitment to enabling a safer and more sustainable future for the food industry, while minimising the use of resources.

The new equipment now being used includes a 3M™ Molecular Detection System ('MDS') based on loop-mediated isothermal DNA amplification ('LAMP') technology to cut the time taken to deliver salmonella-analysis results from 72 to just 12 hours. It simultaneously drives important reductions in the use of energy, consumables and manpower.

The lab has also started to use 3M™ Petrifilm™ Plates for the microbial testing of food, which also significantly reduces energy and water consumption while driving down waste and CO₂ emissions.



Sustainability Excellence
Continued

Case study

Assuring natural and sustainable practices in growing areas

Intertek SAI Global has developed a Bio-Inclusive protocol called PROOF (Protection and Recovery of Original Fauna), for the agriculture production industry. Aimed at assuring natural and sustainable practices in growing areas, this protocol is designed to protect wildlife, the environment, to recover flora and fauna in cultivated areas, as well as to produce healthier products, and preserve biodiversity. Intertek SAI Global has also developed a robust certification system to ensure members meet all the standard's requirements.

The farms participating in this innovative initiative in Spain have reduced water consumption, energy consumption and have reduced the need for phytosanitary treatments almost completely, minimising toxic load. As a result, there has been a marked improvement to natural ecosystems and biodiversity on the farmed areas.

Case study

Helping PANGAIA become earth positive

PANGAIA is a material science brand that uses as many organic, natural and sustainable resources as possible in its everyday essential garments. Examples include a down-fill material made from wildflowers (FLWRDWN™) and a biobased textile created from food waste, turning banana leaf fibre, pineapple leaf fibre and bamboo (FRUTFIBER™).

One of the company's key goals is to become more earth positive and it aims to put more back into the environment than it takes. Our team helped PANGAIA make measurable progress towards this. We developed a vendor manual that considered sustainability and Quality Assurance at every stage, from vendor selection through to manufacturing and product launches.

We have also offered ad hoc support on topics including claim validation, recycled content, compostability and biodegradability, water wash evaluation and product shedding/waste.

Case study

Intertek is accredited to certify the Global Organic Textile Standard ('GOTS')



The USA's ANSI National Accreditation Board, which plays an important role in ensuring the safety and quality of goods and services and in protecting the environment, has accredited Intertek Business Assurance as an approved certification body for the Global Organic Textile Standard ('GOTS').

As well as defining high-level environmental criteria along the entire organic-textile-supply chain, GOTS also requires compliance with social criteria. As such, it sets the international benchmark for a common understanding of environmentally friendly production and social accountability in the organic textile sector.

Case study

Flooring company gains standard to demonstrate responsible sourcing



When Aspecta wished to let its customers know about the social, ethical and environmental approach it takes to sourcing materials, it engaged Intertek Assuris to help it attain the BES 6001 Framework Standard for Responsible Sourcing.

The company, a member of global flooring manufacturer HMTX Industries, saw this as a key step to complement its existing quality systems and strategic sustainability activities.

Following our appointment, we brought together the wide-ranging evidence required to achieve the 'Good' level of certification and position Aspecta as an industry leader in ethical performance. This has given the company an important differentiator in its market that enables it to clearly demonstrate its commitment to sustainable business practice.



Sustainability Excellence

Continued

Case study

Lundin Energy is first client to achieve CarbonZero certification

The new Intertek CarbonZero™ solution, launched during 2021, provides additional value to the unique CarbonClear™ programme we launched in 2020 to give organisations across many industries access to an independent third-party certification that verifies actual emissions incurred per unit produced.

Now, with CarbonZero™ we can certify the achievement of carbon neutrality by adding verification of carbon capture or reduction investments to CarbonClear™ certification. This is enabling companies across the world to market qualifying products and services as Intertek CarbonZero™ verified, so demonstrating auditable progress towards carbon neutrality.

Lundin Energy, one of the world's leading oil and gas exploration and production companies, had added to its success in becoming the world's first organisation to gain CarbonClear™ certification, by being first to gain CarbonZero™ verification as well. The achievements relate to both the Edvard Grieg and Johan Sverdrup fields offshore in Norway. All of Lundin Energy's net production at Johan Sverdrup holds the CarbonZero™ mark and is sold as carbon neutrally produced, which is a world first.

Investors, traders, regulators and all other stakeholders can find details of all certifications on Intertek's Global Sustainability Certification Directory (sustainabilitydirectory.intertek.com/home.)

Case study

Driving sustainability and safety with bioinformatics

More sustainable ways of producing food are urgently needed, leading companies to explore new methods of producing edible and nutritious goods. By providing innovative solutions for companies to analyse genetic and genomic information of their novel products, we assist with obtaining regulatory approval and offer a way to address safety concerns ethically and sustainably using the latest science.

Intertek Assuris's bioinformatic assessments are allowing companies to characterise and demonstrate the safety of innovative microorganisms and microbial-derived products. They evaluate aspects such as antimicrobial resistance, pathogenicity, toxigenicity, and allergenicity and provide an alternative to animal-based studies.

Case study

Helping REWE Group assure the sustainability of its materials

Intertek helped retail and tourism co-operative REWE's Far East procurement arm assure the sustainability of an item in its clothing range. It needed third-party confirmation on whether a quilted men's jacket was genuinely made from recycled polyester, and if the material had been sourced from rPET bottles.

Our work comprised a Textile Exchange GRS (Global Recycled Standard) audit and due diligence testing (a rPET verification test), offering REWE proof that recycled content was present from the source in raw materials.

Case study

Employing indoor air quality testing to reopen schools



The Covid-19 pandemic has highlighted the impact that effective ventilation and air filtration can have on disease prevention and our general health and wellbeing. Yet issues such as a lack of funding or deferred system maintenance can cause indoor air quality ('IAQ') to fall below an acceptable level.

In anticipation of the return of classroom learning for more than 50,000 students, Washington's largest public school district, Seattle Public Schools, wanted to evaluate and improve the IAQ across its 100+ schools. Together with district staff, Engineering Economics Inc. ('EEI'), Intertek Building & Construction conducted a systematic evaluation of each school's ventilation system to help create a better learning environment.

Once EEI's health risk-reduction recommendations had been implemented, our Intertek building scientists and industrial hygienists performed IAQ testing across the premises. Our work was able to confirm the effectiveness of measures and acted as a quality control check to ensure no space was left under ventilated.

Sustainability Excellence

Continued

Case study

Supporting the development of more sustainable medicines

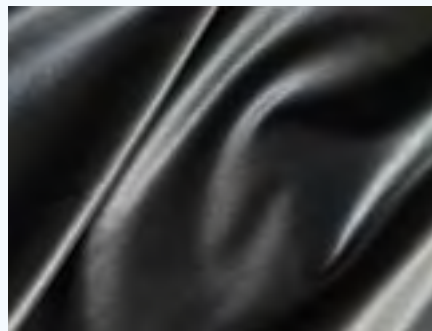
Hydrofluorocarbon (HFC) propellants used today in pressurised metered-dose inhalers (pMDIs) have global warming potential (GWP) many times that of carbon dioxide. This is driving the pharma industry and governments to look for new ways of making effective inhaled drugs such as those to treat respiratory diseases like asthma, without the harmful environmental impact.

The Intertek Melbourn team, who are based near Cambridge, UK, are playing a key role in this effort by helping clients to develop new inhaled medicines, or reformulate existing pressurised pMDIs, using more sustainable approaches, such as formulating with new propellants (e.g. HFA-152a and HFO-1234ze) with lower GWP.

Current projects in the laboratory involve developing novel delivery systems such as dry powder inhalers and soft-mist inhalers or reformulating existing inhaled drug product with new low GWP propellants.

Case study

Quantifying BASF's sustainable synthetic leather claims



Intertek China helped BASF, the world's largest chemical producer, prove that its unique Haptex® synthetic leather is a significantly more sustainable alternative to solvent-based polyurethane and other synthetic leathers.

We carried out a Life Cycle Assessment ('LCA') on Haptex®'s complete value chain, from chemical production to the finished synthetic leather products. Additionally, the LCA calculated and measured the greenhouse effect, cumulative energy demand and water consumption data of this innovative material.

This process helped BASF unequivocally prove that Haptex®, which is made without organotin catalysts or plasticisers, uses 30% less water and requires 20% less energy to produce than traditional synthetic leather, resulting in a 52% reduction in Greenhouse Gas emissions.

Case study

Supporting a global initiative to end hunger and poverty

Intertek's AgriTech team is working with global research partnership CGIAR to identify routes to a food-secure future for all. Its network of world-class researchers is dedicated to identifying sustainable ways to improve natural resources and empower local food producers, aiming to alleviate poverty and nutrition insecurity.

We've been a proud partner of CGIAR since 2017, offering High Throughput Genotyping lab services. We have been able to aggregate volumes by working together, allowing us to offer services to developing countries at an

affordable price and fulfil our commitment to Corporate Social Responsibility.

Our AgriTech team is also working with the CGIAR Excellence in Breeding ('EiB') Platform, which works across CGIAR and national partners to accelerate the modernisation of crop breeding programmes that serve farmers in low- and middle-income countries. Our work with CGIAR is ensuring local farmers can feed their communities without compromising the climate.

Photo by Dr. Kristofer Vemling

Sustainability Excellence

Continued

Case study

Using oceanographic modelling to harness clean energy from tides and oceanic currents

We are a preferred supplier of Minesto, a Swedish marine energy technology developer, to offer technical support on its advanced oceanographic modelling projects. Our Energy & Water team will also work alongside the Swedish Meteorological and Hydrological Institute ('SMHI') and tidal energy experts from the universities of Bangor, Plymouth, Cardiff, Swansea and Manchester.

Minesto's innovative 'Deep Green' technology allows clean, renewable energy to be generated from tidal and ocean currents, even at low current speeds. Its devices are being trialled or used across the world, from the UK to France to Taiwan, and Minesto has forged partnerships with sector giants such as EDF.

Over the next three years, we will provide specialist technical services, including tidal current resource modelling, array energy extraction modelling, ocean circulation modelling, sediment transport modelling, and extreme and operational wave modelling.

Case study

Bringing renewable power from Australia to Singapore

Intertek's Energy & Water team is working with Sun Cable, the largest solar energy infrastructure network company in the world, to oversee the quality control and safety of the Australia-Asia PowerLink – a proposed 4,200km marine cable that will direct renewable solar energy from Northern Australia to Singapore.

Our experts will provide a Total Quality Assurance solution, comprising a marine hydrographic, geophysical and shallow geotechnical survey and marine consultancy, that aligns with the client's safety, health, environmental and quality vision and technical specifications.

This complex offshore infrastructure project will connect a 10GW solar farm in Elliott, in Australia's Northern Territory, to the Darwin and Singapore grids, offering them renewable energy and extra battery storage. The project will help Singapore meet its Paris Agreement Greenhouse Gas reduction targets, by providing enough renewable energy to cover up to 15% of the country's energy needs.

Case study

Helping Greenlink secure the marine consents for its proposed interconnector

We have helped Greenlink secure the marine consents in Ireland and Wales for its €500 million (£420 million), 190km Greenlink Interconnector. This 500MW capacity interconnector will link Wales and the Republic of Ireland, allowing power to flow either way and increasing energy security for both countries.

This achievement is just the latest in our long relationship, which has focused on environmental risk management. Intertek's Energy & Water team has provided expert marine Quality Assurance solutions, including marine route development, landfall identification, survey management, environmental studies and assessment.

One of our most noteworthy de-risking strategies was to engage stakeholders early. We connected with Natural Resources Wales throughout the process, ensuring this significant infrastructure project could go ahead without compromising sensitive offshore habitats.

Case study

Providing specialist water quality modelling services to Irish Water

Intertek's Energy & Water team is working with Irish engineering and environmental consultancy, Nicholas O'Dwyer, to deliver a strategic modelling study of Cork Harbour for Irish Water.

Our work, which will include microbiological impact assessments using our industry-leading STORM-IMPACT compliance assessment tool, will help Irish Water understand how to make essential infrastructural improvements in a cost-effective and legislatively compliant way.

The project is comprised of two phases. The first will see us work with Nicholas O'Dwyer to complete a data review and gap analysis to identify essential missing information, which will be collected through dedicated field surveys. In the second, we will develop a 3D hydrodynamic and water quality model of the harbour, allowing us to carry out impact assessments of both the current and predicted future scenarios.

Sustainability Excellence
Continued



Environment

All of us have a responsibility to protect the future of the planet.

At Intertek, we look to understand our organisation’s impacts on the environment and mitigate them in regard to climate change, use of resources, ecosystems, and waste management.

Our global reach spans thousands of employees, clients and suppliers. This scale represents both commercial opportunity as well as responsibility; a responsibility to our people, the communities in which we operate and the wider environment. Good management of these topics is therefore critical to meeting increasing expectations of all our stakeholders.

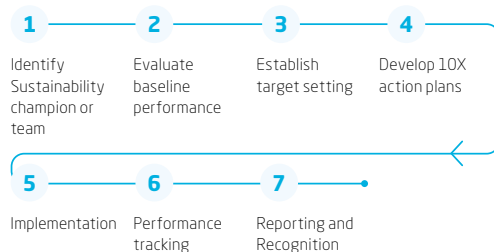
Intertek plays an important role in raising awareness of climate change, impacts on biodiversity and national resource constraints among our employees, suppliers and customers. As such, our aim is to improve operational and natural resource efficiency in a consistent manner across all our sites.

Governance

Environmental governance flows from the Board to every Intertek site. We monitor site-level activities across a range of environmental metrics and work with our sites to reduce energy consumption and limit Greenhouse Gas (‘GHG’) emissions. Governance for managing climate-related risks and opportunities across the Group is incorporated into our existing governance framework as shown on pages 53 and 99.

Intertek’s part in a low-carbon economy

We recognise that we need to play our part within the move to a low-carbon economy. To make real change happen, we believe all our people need to have ownership of their carbon footprint and be empowered and inspired to take ambitious actions to reduce it – our Sustainability Excellence approach.



In 2021, we continued to track progress through our emissions dashboards which allow the regional teams to understand their total carbon emissions. The dashboards give insights to their performance and helps the teams take ownership of their environmental impacts at site level and to take actions to reduce them.

This process is supported by our Environmental and Climate Change policy, which is implemented by country management to ensure compliance with local guidelines and regulations.

Our activities across the world are diversified, with a spread of both laboratories and offices. Our carbon emissions intensity is higher in businesses that are more capital intensive, such as our global laboratory network, while our audit and office-based operations have much lower capital intensity.

Our carbon emissions reduction targets

Intertek clients depend on our safety, quality and environmental expertise to ensure their products meet global market expectations. Intertek will continue to strive for emissions reductions internally as the world’s leading Total Quality Assurance (‘TQA’) provider.

We first set an emissions reduction target in 2017 to reduce our CO₂ emissions per employee by 5% year-on-year up to 2023. The target has remained in place during the year, however, teams are encouraged to target absolute reductions.

Recognising the importance of bold ambitions, we are setting targets to improve environmental performance across our operations. To clearly demonstrate our commitment, we are aligning our business with the most ambitious aim of the Paris Agreement, to limit global temperature rise to 1.5°C above pre-industrial levels and reach net zero by 2050 for the best chance of avoiding the worst impacts of climate change.

During 2021, we have carried out both a top-down and bottom-up exercise, building on our emissions dashboards to clearly identify our baseline emissions and to enable our countries to put in place concrete measurable action plans to reach our reduction targets.

Having identified our plans we will seek to have our new reduction targets validated and approved by the Science Based Target initiative. Once validated, we will report on these in more detail.

Environmental management

The delivery of our Sustainability strategy is supported by our Group-wide Quality Management System – which is aligned with internationally recognised standards on health, safety and the environment. We operate this across 80% of our operations and, in 2021, 110 sites achieved or maintained one or both ISO 14001 and ISO 45001 (OSHAS 18001) certifications.

At Intertek, we take an ‘ever better’ approach to ensure our data is wholly accurate and consistent year on year. Data collection continues to improve, with over 130 users adding site-level data every month to our Global Sustainability Environmental software platform.

Energy use

Global energy use ¹ by source (MWh)	2021	2020
Standard electricity	247,741	253,849
Renewable electricity	11,410	7,487
Vehicle fuels energy	30,710	40,146
Non-transport fuels energy (natural gas)	63,654	66,518

1. UK portion of total energy use was 6.4% (2020: 6.8%).

We drive actions country by country and site by site. During 2021, further sites have carried out energy audits, which have already led to energy efficiency improvements, including the roll-out of LED lighting at numerous sites and trials of new technologies.

Following the success of self-generation of energy at our Perth site, we continue to explore on-site energy generation through various projects. In addition, we will continue to source certified renewable energy, where possible and economic to do so.

Sustainability Excellence Continued

Case study

Minerals Centre of Excellence in Perth, Australia

As a purpose-led company, Intertek's mission is to make the world a better, safer and more sustainable place. This ethos is at the heart of our Minerals Global Centre of Excellence in Perth.

The new facility features a 990kW solar system making it one of the largest rooftop solar installations in Western Australia. The system provides on average a third of the daytime power required by the laboratory. The facility also captures and recycles laboratory wastewater to conserve this precious resource.

Utilising technology and innovation with a focus on automation will provide clients with faster, more efficient analytical options without compromising on quality. With the application of sustainability through all parts of the project we are seeing improvements in energy consumption, water management and emission reductions through the harnessing solar energy.


Our progress and performance

Our annual environmental reporting cycle ran from 1 October 2020 to 30 September 2021. Intertek's reporting complies with the methodologies outlined by the GHG Protocol 'Corporate Accounting and Reporting Standard', ISO 140064-1 and the UK Government's 'Environmental Reporting Guidelines: including mandatory Greenhouse Gas emissions reporting guidance'.

We measure and report our Scope 1 and 2 GHG emissions as well as certain Scope 3 emissions covering the categories of fuel and energy-related activities, employee commuting and business air travel.

Scope 3 emissions provide valuable insights on the full emissions picture for a company. There are 15 potential Scope 3 categories, but not all are relevant to every company. An independent third party materiality assessment of our Scope 3 emissions identified that seven were relevant to our operations, and of these seven categories five were material. Since 2019 we have been widening our boundary definition of Scope 3 and reported on additional categories.

Further details on our methodology for reporting and the criteria used can be found within our Basis of Reporting document.

 This is available at [intertek.com/about/our-responsibility](https://www.intertek.com/about/our-responsibility)

During 2021 we have continued to improve our performance. Scope 2 emissions have been reduced through energy efficiency measures and the gradual transition to renewable electricity.

With activities normalising, we were pleased to see direct emissions continuing to reduce, reflecting the implementation of site action plans and greater transparency within the business on the sources of our emissions.

We saw similar levels of emissions from Employee Commuting to 2020, recognising a change in habits and some intermittent Covid-19 restrictions across our regions.

Business travel remains affected by travel restrictions in place throughout 2021 due to Covid-19. We expect levels to normalise over future reporting cycles. We recognise the significant impact of transportation on the environment and are reviewing our overall approach and the influence we have to reduce our impact.

Waste management

Intertek produces relatively small amounts of hazardous and non-hazardous waste compared to other industries. This includes chemicals, test samples, paper, plastic and organic waste from our offices and laboratories. The waste is produced in varying proportions, determined by the industry or industries served by each site. We operate a number of waste management programmes across our regions. In the US, this covers 122 sites to date and a further roll-out is planned to extend the programme across the remaining US sites and expand in Canada.

The programmes are focused on connecting our sites to local opportunities for minimising how much waste we send to landfill and to increase recycling. We continue to work on improving reporting tools to tailor actions.

Asset recycling

We participate in the Hewlett Packard Enterprise end-of-use management programmes, helping us to address the social and environmental impacts of rapid innovation. By refurbishing and recycling our retired IT products, we are contributing to a circular economy that returns value to our business while helping to meet our sustainability goals.

A pilot was first carried out covering a few sites across different jurisdictions in 2020 achieving 82% of equipment being repurposed. The pilot provided central visibility of our disposal practices.

In 2021 the programme achieved 41% of equipment to be repurposed and 58% to be recycled, with 5.1mt of waste kept from landfills.



Sustainability Excellence

Continued

Emissions (Scopes 1, 2, 3)

Scope	Emissions	tonne CO ₂ e ¹	2021	2020	
Scope 1 Direct GHG emissions	Emissions from activities for operations which Intertek owns or controls including the combustion of fuel and operation of facilities	Global (excl. UK)	57,776	60,686	
		UK	2,176	2,439	
Scope 2 Indirect GHG emissions	Emissions from the purchase of electricity, heat and steam purchased for our use (location-based)	Global (excl. UK)	119,367	119,679	
		UK	2,670	3,188	
	Emissions from the purchase of electricity, heat and steam purchased for our use (market-based)	Global (excl. UK)	121,659	123,200	
		UK	488	2,151	
Scope 3	Employee Business Travel (Air travel only) ²	Global (excl. UK)	5,722	11,289	
		UK	49	956	
	Employee Commuting	Global (excl. UK)	35,666	56,670	
		UK	1,112	2,475	
	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Global (excl. UK)	6,832	6,974	
		UK	236	271	
	Absolute tCO ₂ e (market-based)			231,716 ³	267,111
	Carbon offsetting ⁴			-	267,111
	Intensity ratios - Scope 1, 2 and 3 emissions				
	Operational emissions⁵				
CO ₂ per employee (location-based)			4.35	4.29	
CO ₂ per employee (market-based)			4.35	4.34	
CO ₂ per £m revenue ⁶ (market-based)			67.90	71.39	
Employee commuting					
CO ₂ per employee commuting			0.85	1.31	
Average number of employees during the reporting period			43,511	45,092	

1. CO₂e - Carbon dioxide equivalent.
2. Please refer to our Basis of Reporting document for full details of scope.
3. Excluding emissions relating to SAI Global Assurance.
4. Carbon offsetting through the acquisition and surrender of emissions units on the voluntary markets.
5. Intensity ratios are based on the total of Scope 1, Scope 2 and Scope 3 Fuel- and Energy-Related Activities.
6. Revenue for FY 2021 as shown on page 3.

Sustainability Excellence

Continued

Independent assurance statement to the Directors of Intertek Group plc

Scope

We have been engaged by Intertek Group plc ('Intertek') to perform a 'limited assurance engagement,' as defined by the International Standards on Assurance Engagements, here after referred to as the engagement, to report on selected greenhouse gas performance data (the 'Subject Matter') on page 88 in Intertek's 2021 Annual Report ('the Report').

The Subject Matter comprises the following data sets in the Report regarding the sustainability performance of Intertek Group plc:

- Greenhouse gas emissions – Scope 1;
- Greenhouse gas emissions – Scope 2;
- Greenhouse gas emissions – Scope 3
 - Fuel and energy related activities
 - Employee commuting
 - Business travel
- Greenhouse gas emissions – intensity ratio.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Intertek

In preparing the Subject Matter, Intertek applied the methodology as described in the document Basis of Reporting – GHG Emissions (the 'Criteria').

Intertek's responsibilities

Intertek's management is responsible for selecting the Criteria, and for presenting the Subject Matter Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter Information, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE 3000 Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the terms of reference for this engagement as agreed with Intertek on 6 January 2022. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control¹, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Assessed whether all material data sources have been included and that boundary definitions, (referenced in page 88 of the Report and outlined in the Basis of Reporting), have been appropriately interpreted and applied.
2. Assessed whether the Intertek scope and definitions, (referenced in page 88 of the Report and outlined in the Basis of Reporting), for the Subject Matter have been consistently applied to the data.
3. Assessed whether site and business-level data have been accurately collated by Intertek management at a Global level, and whether there is supporting information for the data reported by sites and businesses in the Group to Intertek management at a Global level.

4. Challenged the validation and collation processes undertaken by Intertek management in relation to the Subject Matter.
5. Reperformed calculations to check the accuracy of the Subject Matter reported and the data collation processes.
6. Tested underlying documentation for a sample, based on professional judgement, of site-level data points to determine the accuracy and completeness of data points.
7. Examined the Report for the appropriate presentation of the Subject Matter, including the discussion of limitations and assumptions relating to the data presented.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Subject Matter as of 28 February 2022, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Intertek management and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP

London
28 February 2022

1. International Federation of the Accountants' International Standard for Assurance Engagements (ISAE3000) Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

Sustainability Excellence

Continued

Case study

Building Back Ever Better
one beach at a time

Intertek joins Great British Beach Clean 2021

A perfect complement to Intertek's track record in delivering Total Sustainability Assurance to the marine sector, colleagues participated in a beach clean event on the stunning Freshwater West beach in Pembrokeshire, Wales, in September. The event was organised on behalf of the Marine Conservation Society ('MCS') in conjunction with their Great British Beach Clean 2021 initiative.

The MCS's main focus is on improving the health of our oceans, and during the initiative data was collected from across hundreds of beach cleans along the UK's coastlines. Working alongside representatives from Greenlink Interconnector, a key Intertek client, our colleagues were pleased to survey a designated 100m-stretch of beach to quantify the most prevalent marine litter – feeding back the data points to MCS for their environmental improvement campaign. We also cleaned the entire intertidal beach area, managing to remove a total of 36kg of rubbish from the beach.

Case study

Joining the movement for
a cleaner planetIntertek Sweden hosted their very
own local Cleanup Day

World Cleanup Day in September 2021 united more than 8.5 million people in 191 countries. It harnesses the power of people around the world to achieve incredible things by joining together. Local people, businesses and organisations come together to rid our planet of trash, and build bridges between communities, across all levels of society.

This year, Intertek Sweden did their bit by hosting their very own local Cleanup Day, and more than 70 people from our Kista office donned work gloves, grabbed a paper bag or two, and set out to clean up their local environment. The result was three full containers each containing an incredible 660 litres of rubbish. Our people were delighted to join in with our Keep Kista tidy day, as it not only allowed them to do something useful for the local environment, but they were also able to enjoy some time outdoors with colleagues in the middle of the workday.

Case study

Intertek joins the 'Get Nature Positive' campaign

Positioning nature at the heart of our
business agenda

For millennia, humans have relied on the ability of ecosystems to provide services like protection from floods, regulation of diseases and pests, sequestration and regulation of carbon, maintenance of habitats, and provision of food and water.

With these ecosystems under threat, Intertek is proud to be a member of the 'Get Nature Positive' campaign, a voluntary coalition of businesses all committed to restoring the natural world. Founded by the Council for Sustainable Business, Get Nature Positive seeks to build momentum on nature and biodiversity by engaging with a broad cross-section of business and other organisations such as the Global Commons Alliance, the Science Based Targets Network, and Business for Nature.

Through the campaign, we have access to the Nature Handbook: a practical 'how to' guide, developed by business for business, in consultation with biodiversity experts. It is designed to help businesses better understand their impacts on nature, and determine what actions they can take today and in the years to come to protect and restore nature.

52%

of global GDP (US\$44 trillion) is generated by companies that are either highly dependent or moderately dependent on nature (Source: PwC)



Sustainability Excellence Continued

Case study

Swachh Parisar, Swachh Bharat (Clean Environment, Clean India)

Intertek India's community initiative to Build Back Ever Better

For many years, parts of the Mohan Co-operative Industrial Estate, the location of Intertek India's head office in New Delhi, were in a state of major disrepair with no proper sanitation or waste disposal. Intertek India stepped in and took the lead to improve the area with two major hygiene and sanitation improvement projects. In November 2021, the second phase was completed with creation of a vista of clean and paved roads, better hygiene and sanitation standards, safe access to the office, and a general improvement in the quality of life in the area.

Case study

Improving water quality in the Mesoamerican Reef

Partnering with the Coral Reef Alliance to understand the impact of tourism

There is an urgent need for better data on the levels and sources of nutrient pollution in the critically endangered Mesoamerican Reef ('MAR') ecosystem in the Caribbean Sea, touching the coasts of Mexico, Belize, Guatemala and Honduras. Several water quality data and monitoring programmes exist, but their distribution is patchy and uncoordinated.

Covid-19 travel restrictions and local lockdowns throughout the MAR have provided an unprecedented "natural experiment" to better understand a major source of nutrient pollution-tourism. Intertek Mexico partnered with the Coral Reef Alliance to support the implementation of a coordinated water quality monitoring programme across the MAR that quantified any changes in water quality alongside changes in tourism levels as countries re-opened their economies.

Intertek's Building Back Even Better ethos is a natural fit with the Alliance's mission to save the world's coral reefs. We share their vision and commitment to improving water quality, and continue to work with them on their regional project to answer two key questions: where is sewage pollution coming from in the MAR, and how much of it comes from the tourism industry.



Intertek Mexico partnered with the Coral Reef Alliance to support the implementation of a coordinated water quality monitoring programme."



Sustainability Excellence

Continued



Our community

Our global business spans more than 100 countries and, as such, we understand the huge opportunity and responsibility we have to make a positive and lasting impact on our local communities where we work.

As a business we contribute to our communities in many ways. We provide employment opportunities, volunteer, fund education programmes and support charities to benefit local communities and neighbourhoods.

Each of our countries and business lines define their own sustainability agendas, which are tied to the Group's priorities, aligned to the UN Sustainable Development Goals and focus on their local operations and communities. Our Beyond Net Zero Steering Committee oversees community investments at a global level.

In this section we provide a small selection of highlights from the many community activities that our colleagues are taking part in around the world.

74

Community projects our employees participated in focusing on education, giving back to local communities and preserving our environment

Case study

Building Back Ever Better on the streets of Portland

Litter Cleanup helps to make Oregon a better, more sustainable place

Intertek PSI hit the streets of Portland, Oregon, to help with one of many litter Cleanup events organised by SOLVE, a non-profit organisation that brings people together across Oregon to improve the environment – focusing on tree planting, and litter Cleanup.

In September, our team joined other association members and local business volunteers to pick up trash in an abandoned green space. A total of 28 volunteers worked together to collect 4,300 pounds of trash, which equates to more than two tons! Approximately 500 hypodermic needles were also disposed of properly during the Cleanup.

Case study

Making a positive impact on the local community

Colleagues at Intertek Cortland volunteer for a variety of good causes

During the year, members of the Cortland team have participated in a range of activities, including an American Red Cross Blood Drive. We hosted a corporate donation day, filling all the available appointments, bringing in 25 goods units, which could save as many as 75 American lives.

We had 13 participants in the 'One Too Many' NY 5k, which is hosted by the Child Advocacy Center in Cortland to raise awareness of and help to end child abuse. Each one ran or walked the 3.1 mile course in September, with one of our teammates winning the 'fastest walker' award. That month, colleagues also took part in the United Way's Day of Caring, in which volunteers bring the community and businesses together by revitalising community spaces, repairing buildings and walkways in our parks, and gathering food and personal items for the Wendy Thibeault Memorial Food Drive, which helped stock more than a dozen food pantries across Cortland County.

Case study

South Africa Business Assurance honours Women's Month

Paying tribute to the women of South Africa

Every year, in August, South Africa celebrates Women's Month – and 9 August is a public holiday commemorating more than 20,000 women marching to the Union Buildings on the day in 1956 to protest against the extension of Pass Laws to women.

The South Africa Business Assurance team, which is 100% female, launched a Build Back Ever Better initiative that recognised the escalating issue of 'period poverty' in the country – i.e. the lack of access to sanitary products due to financial constraints. The team rallied around to donate handbags, feminine hygiene products and much more to the Home of Hope for Girls, a non-profit organisation that offers a safe residence to children and teens who have survived abusive situations. They have 75 girls in full-time care and support 150 more through an outreach programme.



Your support has made a difference in aiding a better future for each and every beneficiary in our care, in restoring human dignity."

Home of Hope for Girls

Sustainability Excellence

Continued

Case study

Helping our communities to Build Back Ever Better supports Mombasa Children's Home



Generosity of Intertek employees in Kenya supports Mombasa Children's Home

The Salvation Army Mombasa Children's Home is home to around 40 girls and boys aged three to 13 years, and acts as a safety net for children who come from disadvantaged backgrounds or have lost their parents and carers. This is a very special charity for everyone at Intertek Mombasa, as it is based on the same road as our facility.

In July, the Kenya team came together to offer donations to the Children's Home. Thanks to the fantastic generosity of our colleagues and a contribution from company funds, much was raised. The funds collected were used to purchase stationery, food, toiletries, utensils, undergarments, shoes, face masks and blankets, with all the items identified by and picked up as part of an extensive shopping exercise by local team members. The team also enjoyed the day with the children, exchanging stories and presenting them with the donations.

Case study

Intertek Malaysia gives a Christmas Gift Of Love

Bringing Christmas joy to senior citizens in the community

Christmas Gift of Love 2021 is a project that was initiated by the team at Intertek Malaysia to bring enjoyment and happiness to elderly people in their community, especially during these uncertain times. All business lines, departments, and colleagues joined the effort to help those at the Rumah Victory Elderly Home. Residents were delighted when the Intertek Malaysia team arrived with goodies for everyone. We also made a significant contribution to the Home, including a 15kg Washing Machine (which was top of their Christmas list!), essential food such as rice, noodles, cans, beverages and crackers, and household necessities, such as toilet paper, shampoos and disinfectant.

Case study

Nurturing good eco habits at school to Build Back Ever Better

Intertek Hong Kong supports the reopening of schools with verified STEM toys

Schools in Hong Kong were closed for months during the pandemic, and students, ranging from kindergartens to universities, were only able to access online lessons. However, when schools returned to more normal operation in April 2021, Intertek Hong Kong colleagues were determined to help them Build Back Ever Better, hosting STEM and Green Days at kindergartens and junior schools to welcome the pupils back.

In May and June, students watched videos on the production and installation of energy generators to help them understand the consequences of overusing energy and how to avoid it. The children also enjoyed the interactive display and environment-themed games we provided. Using STEM toys manufactured by our customers and verified with our own STEM Toy Mark, we enabled the children to brainstorm new ways to save or generate energy through natural methods.

Case study

Sponsoring the Chongming public welfare project

Intertek Shanghai supports students through to graduation

Since 2007, Intertek Shanghai and the Chongming Committee of the Communist Youth League have jointly sponsored the Chongming public welfare project. The project, known as "Study through wind and rain, Intertek accompany you" has supported 35 students from poor families.

Intertek Shanghai has not just provided financial support to the students, we have also paid close attention to their personal growth, helping them throughout their studies. The project has provided new opportunities for many students over the years and this we saw a further four outstanding students graduate and to begin the next phase of their life journey.



Sustainability Excellence

Continued

Case study

Giving back to our local communities in the US and Canada

Intertek's Season of Giving Challenge to mark the holiday season

During our 2021 Season of Giving Challenge, our sites were challenged to give back to their community by participating in a local charity drive or event. We are proud of everyone who participated as part of our Intertek Kindness programme and our Build Back Ever Better movement, as so many colleagues showed how together, we can make an incredible difference.

In fact, the response to the Challenge was overwhelming, with many of our offices across the US and Canada giving back to local families, children, seniors and animals in need. For example, colleagues from our Houston Westlake and Deer Park, Texas, locations partnered with the Houston Police Department to make Christmas possible for students at a low-income school by donating nearly 400 toys they collected through office toy drives.

In Allentown, Pennsylvania, colleagues took part in Penny Wars, a friendly competition where pennies were collected in jars around the office, with the proceeds going to the Breast Cancer Awareness Foundation, and Soup Mondays, which raised money towards 65 meals provided at the Allentown Rescue Mission's Thanksgiving dinner.

Colleagues in Arlington Heights hosted a toy drive for the local Toys for Tots chapter, donating Christmas gifts to children in need, while in Austin, Texas, volunteers from Intertek Alchemy held a successful fundraiser for the Austin Animal Center, raising \$3,500 through events like a favourite pet pictures contest, silent auction, bake sale and pet portrait sittings.

Colleagues in Edmonton, Alberta, raised money to provide 174 meals for the Hope Mission Edmonton's annual Christmas dinner, and in Guelph, Ontario, our Intertek Catalyst team collected donations to benefit their local food bank's Adopt-A-Family programme, using the money to purchase stocking stuffer items for teens, tweens and adults who are clients of the food bank.

Elsewhere, our Kentwood office in Michigan took part in local community events such as 'Be a Santa to a Senior', fulfilling holiday wish lists for residents of a local nursing home, and our PSI colleagues in Pittsburgh gave back through the Salvation Army's Angel Tree programme, which has been placing gifts under the Christmas trees of participating families for more than 25 years. A similar scheme in San Antonio, Texas, provides support to women who experience domestic violence, and a Christmas celebration for families trying to recover and regroup from domestic violence.

Finally, our team in York, Pennsylvania, conducted a supply drive for the Society for the Prevention of Cruelty to Animals (SPCA) of York County, collecting and donating cleaning supplies, food, litter and towels/blankets for the animals under the SPCA's care.

Case study

Intertek takes part in 'Punkin Chunkin' to benefit local food banks

Our Electrical Laboratory in Cortland, NY, competes for food donations

The team from Intertek's Electrical Laboratory in Cortland, New York, was delighted to participate in the area's first annual Punkin Chunkin in October 2021. The event was set up to raise money and food donations for the community's local food banks, and also gave colleagues the opportunity to participate in a friendly competition with other local organisations.

The competition was held at Yaman Park, and the entry fee was a non-perishable food donation. Intertek engineers worked with other colleagues to build a slingshot capable of launching pumpkins high into the air and toward the 200-foot target. Each company that entered had ten chances to hit the mark, and the team that scored the highest number of points was the champion. We didn't take home the trophy, but the event was a huge success and we raised \$3,200 in cash, plus around \$2,500-worth of food items for the local food banks

Case study

Intertek's UK Sustainable Growth Agenda

Making use of 'Ever Better days' to support communities and protect the environment

Intertek colleagues in the UK dedicated an 'Ever Better day' in 2021 to volunteer their time to support a charity of their choice. A fantastic opportunity to give back to their community and the environment, the days have been used by colleagues to do good in a variety of ways.

For example, Jon Bradshaw, our Support Services Engineer, used his Ever Better Day to set up a charity fishing match alongside his local fishing syndicate. The match, along with donations from the organisers, raised a total of £3,000 for the Milton Keynes Cancer Centre. The funds raised will enable the Centre to purchase a specialist Chemotherapy chair. For Mark King, our Technician Training specialist, his Ever Better Day was an opportunity to help a local Scout group repair the lawn mower used to keep their Milton Bryan camp grounds neat and tidy. Mark had a busy day, and also helped service their chainsaw, dig up some unwanted trees, and cut them up for camp-fire fuel.



Sustainability Excellence Continued

4 Why we do it

We are passionate about creating an ever better world for future generations

Our 44,000 colleagues are united by their shared belief in the urgent need to make the world an ever-better and ever-safer place for everybody.

We are in the early stages of a 'new normal' and are observing new trends and behaviours, as well as demand for products and services that didn't exist prior to the pandemic. Consumers want more sustainable products, supply chain simplicity, visibility and traceability of goods, new solutions for hygiene, health and wellbeing, as well as lower carbon emissions.

Our clients equally recognise that they need us more than ever before in the face of this increasing consumer and regulatory demand to deliver products and services that are better, safer and more sustainable than anything that has gone before.

Intertek is well placed to help our clients seize the opportunities created by a more sustainably-driven society, and we are truly inspired that what we do every day has a positive impact on every aspect of modern life.

We are committed to our sustainability agenda and will continue to deliver sustainable value for all our stakeholders; customers, employees, suppliers, shareholders, regulators and our communities.

Sustainability is central to everything we do and we can proudly say that Intertek is an amazing force for good.

Helping the world to Build Back Ever Better

Inspired by our purpose to bring quality, safety and sustainability to life for an ever better world, during 2021, we launched the #BBEB platform, bbeb.com, with the intention of creating community-based movement to help people in their local community space to inspire friends, family and public institutions to Build Back an Ever Better world.

BBEB is the place that makes it easy for anyone to be active on our platform, inspiring them to build back ever better by making step-by-step sustainable progress in the community, have a voice, to launch ideas that can make the world better, no matter how big or small. It could be anything from organising a beach clean or litter pick, creating a new recycling scheme, supporting clean energy, urban regeneration, helping others in need and much more. The important thing is that it's simply a better way forward.

Today, the multilingual site carries thousands of powerful stories posted by individuals across the world, highlighting inspirational initiatives from individuals, groups, communities, organisations and companies, all with the ambition of creating positive change by demonstrating what can be achieved with the right determination, focus and energy.

Build Back Ever Better

- Join the BBEB movement to inspire positive change in the world. bbeb.com



Sustainability Excellence
Continued

5
Sustainable
value creation

We are an amazing force for good in the world, delivering sustainable growth for all stakeholders.

Our USP

Science-based Customer Excellence in quality, safety & sustainability.

Our Services - ATIC

The work we do today covers everything from testing toys to inspecting power stations, and from certifying vaccines to providing end-to-end Quality Assurance. Our innovation-led, end-to-end Total Quality Assurance (TQA) value proposition is designed to support our clients 24/7. We provide a fully integrated portfolio of Assurance, Testing, Inspection and Certification (ATIC) services to give our customers complete peace of mind for their products, services and operating systems. But the ATIC solutions we offer go beyond the quality and safety of a corporation's physical components, products and assets. They go to the heart of the reliability of their operating processes and quality management. We call it Total Quality Assurance because it enables our clients to mitigate risk at every stage of their operations.



Assurance

Enabling our customers to identify and mitigate intrinsic risk in their operations, their supply and distribution chains and quality management systems



Testing

Evaluating how our customers' products and services meet and exceed quality, safety, sustainability and performance standards.



Products

Ensuring the quality and safety of physical components and products, and risk assessment of operating processes and quality management systems.



Trade

Protecting the value and quality of products during custody-transfer, storage and transportation, via analytical assessment, inspection and technical services.



Inspection

Validating the specifications, value and safety of our customers' raw materials, products and assets.



Certification

Formally confirming that our customers' products and services meet all trusted external and internal standards.



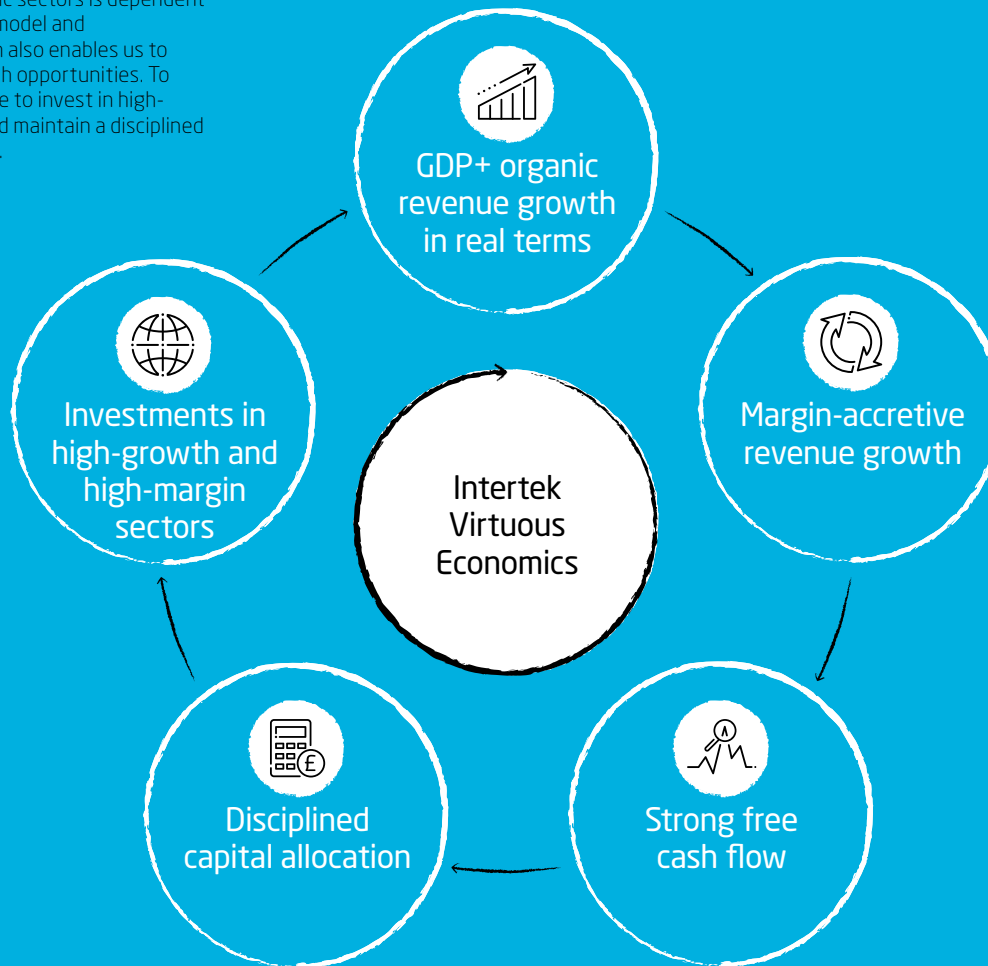
Resources

Optimising the use of assets in oil, gas, nuclear and power industries and minimising risk in their supply chains through technical inspection, asset integrity management, analytical testing and ongoing training services.

Sustainability Excellence
Continued

Our Mid- to Long-Term Value Creation

Our high-margin, cash-generative Earnings model is at the core of what makes us successful. It is based on the delivery of our unique TQA value proposition. The profitable delivery of ATIC services to customers operating in the structurally attractive Products, Trade and Resources economic sectors is dependent on our capital-light business model and entrepreneurial culture, which also enables us to respond quickly to new growth opportunities. To maximise returns, we continue to invest in high-growth, high-margin areas and maintain a disciplined approach to capital allocation.



Our Stakeholders:

Creating a positive impact for our stakeholders, building trust and confidence



Employees

Our people are our most valuable asset and are critical to our success. Customer-centric and passionate about what they do, they deliver sustainable value through unmatched expertise and quality of work for our customers every day.



Investors

Our investor stakeholders include all groups that have an interest in the success and sustainability of our global business.



Customers

We deliver innovative and bespoke Assurance, Testing, Inspection and Certification solutions to our customers for their operations and supply chains.



Communities

We are focused on achieving a positive impact within the communities where we operate, supporting local causes and partnering with charities.



Suppliers

Our suppliers provide products and services that help us manage and track the performance in our supply chains.



Government and Regulators

We comply with all global, regional and local regulations.

Corporate Governance

Chairman's introduction to corporate governance pages 100 to 101

Overview

“
This report has been prepared in order to provide all stakeholders with a comprehensive understanding of our governance framework and how we create sustainable growth for all.”

Andrew Martin
Chairman

>	>	>	>	>
Board Leadership and Company Purpose	Division of Responsibilities	Composition, Succession and Evaluation	Audit, Risk and Internal Control	Remuneration
A. Effective and entrepreneurial Board 106 B. Purpose, values, strategy and culture 106 C. Governance framework and Board activities in 2021 109 D. Stakeholder relations 114 E. Workforce engagement 114	F. Roles and responsibilities 122 G. Independence 123 H. External commitments and conflicts of interest 123 I. Group Company Secretary support 125	J. Board appointments 124 K. Board skills, experience and knowledge 124 L. Board evaluation 124	M. Financial reporting; external auditor and internal audit 130 N. Fair, balanced and understandable assessment 134 O. Internal financial controls; risk management 134	P. Linking remuneration with purpose, values and strategy 137 Q. Remuneration Policy 138 R. Performance outcomes in 2021; strategic targets 152

Governance structure

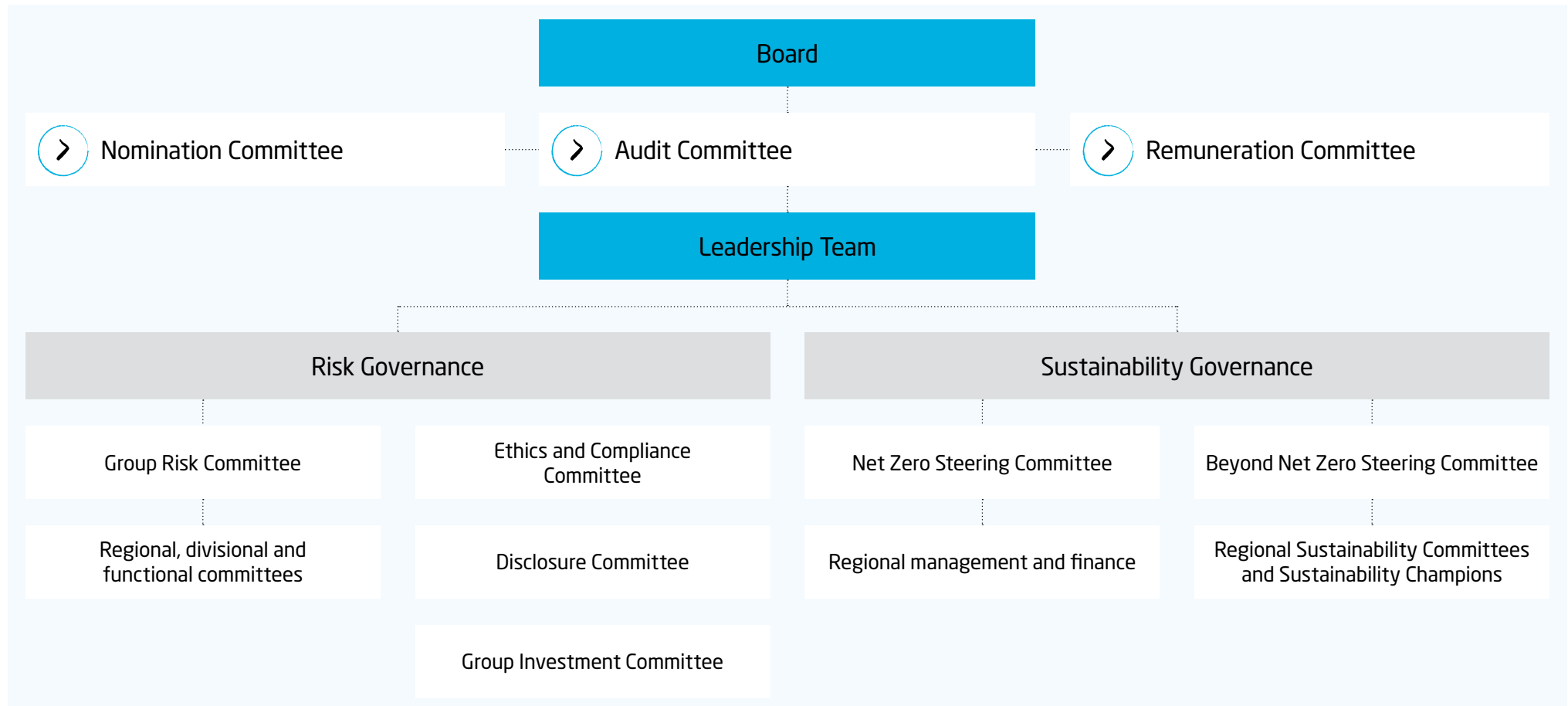
We are deeply committed to our sustainability agenda. Underpinning the delivery of our sustainability strategy is a strong governance structure, to deliver sustainable value for all our stakeholders, in particular our: customers, employees, suppliers, shareholders, regulators and communities.

Our Board of Directors is responsible for the overall stewardship of the Group and delivery against strategy, through our Leadership Team. This includes setting our values and standards, and overseeing sustainability and corporate responsibility.

Sustainability governance is delivered by two newly formed workstreams: the Net Zero Steering Committee and the Beyond Net Zero Steering Committee. The Net Zero Steering Committee, chaired by the CEO and made up of the Head of Sustainability, Chief Financial Officer, Head of Finance-Sustainability and the Group General Counsel focuses on the development of our net zero roadmap and overseeing the development of our science-based reduction targets.

The Beyond Net Zero Steering Committee, which is also chaired by the CEO and is made up of the Head of Sustainability, Group Chief Innovation Officer, EVP Marketing & Communications, Director Group Corporate Communications and the Group General Counsel, focuses on the overall delivery against our sustainability strategy. Both Steering Committees meet on a bi-monthly basis. To support the efforts of the Steering Committees, formal and informal committees led by regional management across the Group globally help to drive our regional strategies for our people, the communities in which we operate, the environment and our customers, through the dissemination of our sustainability strategy.

Our risk management and governance is described in detail on pages 167 to 169.



Chairman's introduction

//

This report has been prepared in order to provide all stakeholders with a comprehensive understanding of our governance framework and how we create sustainable growth for all."

Andrew Martin

Andrew Martin
Chairman



Dear shareholder

The Board has developed a promise that defines our work and purpose at Intertek.

Looking back

When I wrote my statement last year, little did I realise that 12 months later the world would still be seriously affected by Covid-19 and that I would again be looking back on the impact it has had on our personal and working lives.

The past year has been a real test of our strategy, our high-quality business model, our people and our culture. I am pleased to report that Intertek has risen to the challenge. The Group has remained Purpose-led and our people have continued to apply our vision and to live our values, maintaining the highest levels of service to our customers. It is therefore no surprise that Intertek has delivered a strong performance of which the Board and I are both proud and pleased.

Performance accelerated through the year, revenue growth and margins steadily improving while cash generation once again was robust. We are recommending a final dividend of 71.6p making an unchanged full-year dividend of 105.8p and the dividend pay-out ratio 55%.

Sustainability

Sustainability is central to everything we do at Intertek. Being a sustainable business is more than just looking after the environment but making sure that the business and its operations are resilient, will deliver good financial returns over time while recognising the impacts we have on society and people.

Our number one priority remained the health, safety and wellbeing of our people who have not only been the key to our financial, operating and strategic progress but have also supported each other, their local communities, our businesses and customers. The Board and I recognise and applaud their commitment and resilience.

We recognise our obligation to society and champion diversity with a strong focus on recruitment, retention and development of colleagues who reflect the communities in which we work and live. A diverse workforce is one key to ensuring we deliver sustainable value to our stakeholders.

I am proud that as a business we continue to make good progress on our environmental impact.

We have signed up to the Science Based Targets initiative as we strive to be net zero carbon no later than 2050 and starting in 2021, we are planning to include our targeted yearly group carbon emission reduction in our company short-term incentive in addition to revenue, operating profit and return on invested capital. In 2021, we joined the LEAF (Lowering Emissions by Accelerating Forest finance) Coalition, furthering our commitment to a net zero future.

Once again we will report how we have applied the Corporate Sustainability Certification standards and the principles of our Total Sustainability Assurance programme to our own business. And our leading sustainability credentials have been recognised with the highest ESG rating from MSCI, the world's largest provider of Environmental, Social and Governance ('ESG') Indexes. This external validation acknowledges the work of our people supporting the sustainability agendas of our clients as well as being focused on our own internal sustainability initiatives.

Investing

To further sustainability in our business and create additional value for stakeholders, we continue to invest organically and inorganically in opportunities where we see high growth and high margins, strong cash generation and low capital requirements.

Chairman's introduction

Continued

Compliance with the 2018 UK Corporate Governance Code ('Code')

This report has been prepared in order to provide stakeholders with a comprehensive understanding of our governance framework and to meet the requirements of the Code, the Listing Rules ('LR') and the Disclosure Guidance and Transparency Rules ('DTR'). A copy of the Code is publicly available at frc.org.uk.

Page 98 sets out how this Governance section has been structured around the Code Principles.

The Board confirms that during 2021, the Company has consistently applied the principles of good corporate governance contained in the Code and has complied with the provisions apart from the following:

- Provision 13 states that the Chair should hold meetings with the Non-Executive Directors without management present. Two such meetings are scheduled every year but during 2021 these meetings included the CEO as necessitated by the business at the time. Two Chair and Non-Executive Director meetings have been scheduled for 2022 with the first having taken place in February 2022.

- Provision 38 stipulates that the pension contribution rates for Executive Directors should be aligned with that of the workforce. The pension contribution for all new Executive Directors appointed to the Board since 2018 has been aligned with that of the workforce. However, when the CEO joined Intertek in 2015 and prior to the introduction of provision 38 in the Code issued in 2018, his contract stipulated a pension contribution of 30% of base salary per annum. This is more than the pension contribution of the majority of the UK workforce. Regardless of the obligations outlined in the CEO's contract, agreement was reached with the CEO to reduce his pension from 30% of base salary to 5% over a period of five years from 2021. More information on the engagement with shareholders on this issue is outlined in the letter from the Chair of the Remuneration Committee on pages 136 to 137.

A more detailed explanation of our compliance can also be found on our website at intertek.com. The information required to be disclosed in accordance with DTR 7.2.6 can be found in the Other Statutory Information section on pages 163 to 165.

In 2021, we strengthened and expanded our capabilities through two acquisitions, SAI Global Assurance and JLA. SAI Global, significantly increases the scale and presence of our Business Assurance offering in complementary geographies, specifically Australia, USA, Canada and China and brings new service capabilities in attractive end markets. JLA provides an entry into the fast-growing agri-food and beverage testing market in Brazil and enhances our Assurance proposition to leading fast-moving consumer goods companies.

We also continued to allocate capital to internal projects for the long term, investing in innovation and our asset base to expand our Total Quality Assurance service. I am particularly proud of the EV Centre of Excellence, a new state of the art facility that will help electric and hybrid vehicle manufacturers accelerate the development of their equipment and systems capabilities. This is not the only example of Intertek combining innovation and sustainability – we also launched WindAware, a new SaaS for wind farm operations and Intertek CarbonZero for oil producers.

Governance and the Board

To underpin the successful delivery of long-term sustainable growth and shareholder value, we are committed to high standards of corporate governance. The Board continues to support and oversee the execution of our strategy and pays close attention to business performance and stakeholder engagement. Alongside our scheduled Board meetings, last year we arranged an extensive programme of virtual site and laboratory visits in Europe, the USA and China. This gave the Board the opportunity to really engage with and get feedback from colleagues across the world, and see and feel the culture operating within the various businesses. We have received regular feedback reports from investors throughout the year and last Spring I met with a number of our leading institutional shareholders.

I am pleased that today, the Board complies with the provisions of both the FTSE Women Leaders Review on gender diversity and the Parker Review on ethnic diversity. We endeavour to continue to focus on diversity as we recognise the importance of developing the best talent.

Lena Wilson stepped down from the Board on 31 January 2021 as a Non-Executive Director and a member of the Audit and Nomination Committees and then Louise Makin retired on 30 June 2021 as a Non-Executive Director and member of the Audit and Nomination Committees.

Tamara Ingram, who joined the Board in December 2020 as a Non-Executive Director and a member of the Remuneration Committee and Lynda Clarizio who joined the Board on 1 March 2021 as a Non-Executive Director and member of the Audit Committee, both completed a full on-boarding programme during 2021.

Ross McCluskey was promoted into an operational role as Executive Vice President Europe and Central Asia. As a consequence, he ceased to be an Executive Director and Chief Financial Officer of Intertek on 1 April 2021 when Jonathan Timmis was appointed as an Executive Director and Chief Financial Officer. I would like to welcome Jonathan, Tamara and Lynda to the Board and thank Ross, Lena and Louise for their excellent, diligent and valued contribution and support during their tenure.

As Chairman, I am responsible for ensuring the effectiveness of the Board, its Committees and individual Directors. The evaluation and performance review of the Board was external this year led by Equity Culture. The evaluation concluded that the Board and its Committees are all performing effectively, with clear terms of reference and meeting agendas. All of the necessary information to enable constructive and productive discussion is provided on a timely basis. Importantly, the Board has a good balance of experience and knowledge to ensure appropriate challenge and debate. The Board also supports the culture, vision and values of Intertek.

The Future

Looking to the future, we have a clear purpose, a strong culture and the right strategy to deliver our vision. Our global footprint, our expertise in Total Quality Assurance, our leading market positions, the passion and entrepreneurial spirit of our people and our high-quality, cash generative earnings model provide a solid foundation for sustainable growth. We are in great shape to seize the opportunities that are emerging in the 'new normal' to benefit all our stakeholders.

Finally, I would like to express my and the Board's thanks to our people right across the business for their continued passion, commitment and support.

Board of Directors

Board promise

- 1 We recognise our responsibility to all stakeholders and will strive to ask the questions that matter and make the right decisions.
- 2 We will be forward looking and use our diverse perspectives and insights to promote Intertek's purpose of bringing Quality, Safety and Sustainability to life.
- 3 We will inspire our people to take client relationships and our performance to greater heights and to create sustainable growth for all.

Committees

Audit	A
Nomination	N
Remuneration	R
Committee Chair	●

Tenure is given as at 31 December 2021.



1 Andrew Martin
Chairman

Appointed to the Board in May 2016; appointed Chairman in January 2021

Committee: N

Nationality:

Ethnicity: White

Tenure: 5.5 years

Independent: Yes

Current principal external appointments:
Non-Executive Chairman of Hays plc and a Non-Executive Director of the John Lewis Partnership Board.

Key strengths:

- Wide-ranging and extensive financial background.
- Extensive experience of the travel, hospitality and support services sectors.

Experience:

Andrew was the Group Chief Operating Officer for Europe and Japan for Compass Group plc until 2015, and prior to that, he served as their Group Finance Director for eight years until 2012. Before he joined the Compass Group, he was the Group Finance Director at First Choice Holidays plc (now TUI Group). Andrew also previously held senior financial positions with Forte plc and Granada Group plc and was a partner at Arthur Andersen.

He was previously a Non-Executive Director of easyJet plc and Chair of their Finance Committee until August 2020.



2 André Lacroix
Chief Executive Officer

Appointed to the Board in May 2015

Committee: N/A

Nationality:

Ethnicity: White

Tenure: 6.5 years

Independent: N/A

Current principal external appointments:
None.

Key strengths:

- Excellent track record of delivering long-term growth strategies and shareholder value globally across diverse territories.
- Strong leadership skills.

Experience:

From 2005 to 2015, André was Group CEO of Inchcape plc, during which time he strengthened its position in the global automotive market with a track record of delivering double-digit earnings growth with strong cash generation, and created significant shareholder value as its market capitalisation more than doubled during his tenure as Chief Executive.

He was previously Chairman and Chief Executive Officer of Euro Disney S.C.A., President of Burger King International operations and formerly the Senior Independent Director of Reckitt Benckiser Group plc from October 2008 to December 2018.



3 Jonathan Timmis
Chief Financial Officer

Appointed to the Board in April 2021

Committee: N/A

Nationality:

Ethnicity: White

Tenure: 0.75 years

Independent: N/A

Current principal external appointments:
None.

Key strengths:

- Impeccable track record as an experienced finance executive.
- Broad international experience in highly successful companies.

Experience:

Until March 2021, Jonathan was the CFO Health at Reckitt Benckiser Group plc where he also served as the Group Controller, Regional Finance Director for North America and Regional Finance Director for Southern Europe. Prior to his time at Reckitt Benckiser, Jonathan spent several years in senior finance roles with SAB Miller, including three years as the Finance Director of Royal Grolsch and Finance Director for the UK business. Jonathan's early career in finance was with PwC. Jonathan is a Fellow of the Chartered Institute of Management Accounting.

Board of Directors

Continued



4 Graham Allan
Senior Independent Non-Executive Director

Appointed to the Board in October 2017

Committee: **N** **R**

Nationality:

Ethnicity: White

Tenure: 4 years

Independent: Yes

Current principal external appointments:

Senior Independent Non-Executive Director of InterContinental Hotels Group plc, Non-Executive Director of Associated British Foods plc and Kuwait Food Company (Americana) KSCP (privately owned) and a Director of Ikano Retail Pte Ltd (privately owned). Chairman of Bata International (privately owned) and adviser to Nando's Ltd.

Key strengths:

- Extensive international consumer and retail experience.
- Wide-ranging knowledge of the Asian market.
- Strong management knowledge and extensive board-level experience.

Experience:

Graham was Group Chief Executive of Dairy Farm International Holdings Limited, an Asian retailer headquartered in Hong Kong, from 2012 to 2017. In 1992, he joined Yum! Restaurants International (formerly PepsiCo Restaurants International) where he held several senior positions before assuming the role of President and CEO in 2003, leading the development of global brands KFC, Pizza Hut and Taco Bell in more than 120 international markets. Prior to his tenure at Yum! Restaurants, he worked as a consultant including at McKinsey & Co Inc.

He was previously a Non-Executive Director of Yonghui Superstores Co. Ltd in China and a Commissioner of Hero Group, an Indonesian retailer.



5 Gurnek Bains
Non-Executive Director

Appointed to the Board in July 2017

Committee: **N** **R**

Nationality:

Ethnicity: Asian

Tenure: 4.5 years

Independent: Yes

Current principal external appointments:

Managing Partner of Global Future Partnership LLP and CEO of Global Future Think Tank.

Key strengths:

- Wide-ranging experience working with senior leaders internationally providing an important voice on people.

Experience:

Gurnek was the co-founder of YSC Ltd, a premier global business psychology consultancy. He led the business as Chief Executive Officer and Chairman for 25 years to a position of global pre-eminence, and a client base comprising over 40% of the FTSE 100. Gurnek has worked extensively with multinational organisations in the areas of culture change, vision and values, executive coaching and assessment, board development and strategic talent development.

He is Chair of Akram Khan Dance Company.

He has a doctorate in Psychology from Oxford University.



6 Lynda Clarizio
Non-Executive Director

Appointed to the Board in March 2021

Committee: **A**

Nationality:

Ethnicity: White

Tenure: 0.75 years

Independent: Yes

Current principal external appointments:

Non-Executive Director of CDW Corporation, Emerald Holding, Inc and Taboola.com Ltd (US listed companies), and Resonate Networks, Inc., Simpli.fi Holdings, Inc, and Cambri Oy (privately owned).

Key strengths:

- Strong track record of leadership in complex organisations.
- Significant experience in digital measurement and broader technology.
- Extensive board-level experience.

Experience:

Lynda was President of U.S. Media at Nielsen Holdings plc, a global measurement and data analytics company, where she worked from 2013 to 2018. Her prior experience includes CEO, President and other leadership positions at AppNexus, Inc., INVISION, Inc., AOL Inc. and Advertising.com. She previously was a partner in the law firm Arnold & Porter, where she practised law from 1987 to 1999.

She is Vice Chair of Human Rights First, a non-profit international human rights organisation.



7 Tamara Ingram OBE
Non-Executive Director

Appointed to the Board in December 2020

Committee: **R**

Nationality:

Ethnicity: White

Tenure: 1 year

Independent: Yes

Current principal external appointments:

Non-Executive Director of Marsh & McLennan Companies, Inc. and Marks and Spencer Group plc.

Key strengths:

- A long-standing leadership career in advertising, marketing and digital communication.
- A deep understanding of consumer brands and digital strategy.

Experience:

Tamara held leadership roles within WPP from 2002, and was the Global Chair of Wunderman Thompson (a subsidiary of WPP plc). Her executive experience includes senior roles at Kantar Group, McCann Erickson and Saatchi & Saatchi UK, where she held the roles of CEO and Executive Chair. Tamara was previously a Non-Executive Director of Sage Group plc and Serco Group plc.

She is a Director of Save the Children International.

Board of Directors

Continued



8 Gill Rider CB
Non-Executive Director

Appointed to the Board in July 2015

Committee: **A** **R**

Nationality:

Ethnicity: White

Tenure: 6.5 years

Independent: Yes

Current principal external appointments:

Chair of Pennon Group plc and South West Water (a subsidiary of Pennon Group plc) and Pro-Chancellor of the University of Southampton.

Key strengths:

- Successful global experience on the people agenda.
- Extensive experience as a Non-Executive Director.
- Strong experience on remuneration and sustainability issues.

Experience:

Formerly, Gill was head of the Civil Service Capability Group in the Cabinet Office, reporting to the Cabinet Secretary. Prior to that, she held a number of senior positions with Accenture, culminating in the post of Chief Leadership Officer for the global firm. Previously Gill was a Non-Executive Director of De La Rue plc and, until January 2020, Senior Independent Director of Charles Taylor Plc, where she also chaired their Remuneration Committee.

She is currently President of the Marine Biology Association and was also previously President of the Chartered Institute of Personnel & Development.



9 Jean-Michel Valette
Non-Executive Director

Appointed to the Board in July 2017

Committee: **A**

Nationality:

Ethnicity: White

Tenure: 4.5 years

Independent: Yes

Current principal external appointments:

Chairman of Sleep Number Corporation and Lead Director of The Boston Beer Company, both of which are US listed companies. Director and Audit Committee chair of Peet's Coffee & Tea (private).

Key strengths:

- Extensive knowledge of the US market.
- Strong leadership and board-level experience, with purpose-driven companies.

Experience:

Jean-Michel has more than 30 years' experience in management, US public company corporate governance, strategic planning and finance. Previously, he was Chairman of Peet's Coffee and Tea, Inc., a US beverage company which was listed at the time. He was also appointed as Managing Director at the Robert Mondavi Winery before becoming Chair. In his earlier career, Jean-Michel was President and Chief Executive Officer of Franciscan Estates, Inc., a premium wine company.

He currently serves as an independent adviser in the US to select branded consumer companies.

He has an MBA from Harvard Business School.


Former Directors who served during the year

Lena Wilson stepped down from the Board on 31 January 2021.

Ross McCluskey stepped down from the Board on 1 April 2021.

Dame Louise Makin stepped down from the Board on 30 June 2021.

Direct reports to the CEO

 Global functions

Tony George
Executive Vice President,
Human Resources



Ken Lee
Executive Vice President,
Marketing and Communications



Timo Lieber
Vice President, Group ATIC
Innovation



Julia Thomas
Senior Vice President,
Corporate Development



Mark Thomas
Group General Counsel and
Head of Risk & Compliance



Jonathan Timmis
Group Chief Financial Officer


 Geographies

Fred Bai
CEO, Greater China



Sandeep Das
Regional Managing Director,
South Asia



Colm Deasy
Regional Managing Director,
Asia Pacific




Ian Galloway
Executive Vice President,
Middle East and Africa



Ross McCluskey
Executive Vice President,
Europe &
Central Asia



Carlos Velasco
President, Latin America


 Global business lines

Gavin Campbell
President, Transportation
Technologies



John Fowler
Senior Vice President, Minerals



Ian Galloway
Executive Vice President,
Global Trade



Christina Law
President, Global Softlines
and Hardlines



Bertrand Mallet
Executive Vice President,
Industry Services



Calin Moldovean
President, Business Assurance
and Food Services



Saranpal Rai
Senior Vice President, Electrical



Paul Reynish
President, Alchemy



Board Leadership and Company Purpose

Effective and entrepreneurial board

Our Board comprises a Chairman, CEO, CFO and six independent Non-Executive Directors. We all have differing skills, a wide range of diverse experience and extensive knowledge built up over a period of time in our professional careers, which enables the Board to fully understand the strategic business drivers of Intertek, but also the risks and exposures associated with the multiple sectors and regions in which the Company operates. During the year, we welcomed three new Directors on the Board which brings new skills, views and perspectives as outlined in the Nomination Committee report on pages 126 to 129.

The need for an effective and entrepreneurial Board to provide the right leadership continues to be important; our combined experience of dealing with economic crises over the past 30 years has helped to inform and qualify us to effectively manage the ongoing impact of the pandemic and the increasing awareness of the risks associated with climate change, to ensure the long-term sustainable success of the Company is not hindered. As such, our collective experiences have enabled us to preserve the long-term value of the business for our shareholders, our people and our customers, as well as the wider community as a whole for years to come.

The governance of Intertek is the responsibility of the Board, with the support of the Group Company Secretary, and provides the framework of authority and accountability that operates throughout the Company to ensure the needs of all stakeholders are considered and met. Good governance requires the Board to lead, guide and support the business in its quest for long-term sustainability and viability through strategic planning and part of the governance structure in place is the development, implementation and monitoring of the 5x5 strategic plan for growth throughout the year. This is an ongoing process which is reviewed annually by the Board and involves a thorough review of the progress being made on the implementation of the strategy and the five-year business plan. The strategic review involves a 360° review of the Intertek value proposition, the 5x5 strategy, updates on the competitive environment and regulatory changes. The changes to the economic environment, the long-term structural drivers and emerging trends shaping the world are discussed, as well as, the resulting impact on Intertek, together with the strategic initiatives for the year and ensures alignment with our purpose of bringing quality, safety and sustainability to life for an ever better world.

We are also responsible for ensuring that the appropriate financial resources and people with the right skills and behaviours are in place to achieve the long-term strategy and deliver long-term sustainable performance. Further information on our strategy and progress towards delivering our strategic aims is set out in the Strategic Report on pages 14 to 25 and further information on the activities of the Board is outlined in the table on pages 110 to 111.



The Intertek value proposition and purpose

Intertek has a rich cultural heritage which reaches back over 130 years to some of the world's leading pioneers in the Quality Assurance industry, and our pioneering forefathers include giants of innovation such as Thomas Edison. Their legacy and spirit lives on today throughout Intertek and in our people as we continue to drive the global development of the Quality Assurance industry. We have established a purpose of 'Bringing quality, safety and sustainability to life for an ever better world' which resonates strongly throughout Intertek; a purpose which our people are rightly very proud to embody and incorporate when meeting the needs and wishes of our stakeholders. Our purpose is underpinned by a strong set of clear values, as outlined on page 19, which are true to who we are and are the foundations that drive the right cultural behaviours across the Group. To deliver this, we employ people with the right potential, attitude, intellect and entrepreneurial spirit, and we introduce them to our culture of excellence, innovation and our exacting customer-focused service standards. By aligning the quality of our people with our high-performance culture, we can deliver our strategic objectives and our promise to customers and build long-term and mutually rewarding relationships.









The Board, with the Leadership Team, sets the corporate culture that defines our purpose and establishes an environment where values are appreciated and respected, encouraging all of our people to 'Do Business the Right Way'. Our culture and values have been, and remain, the core foundations of Intertek. Our 10X culture is one of entrepreneurial spirit and high performance, where we are totally focused on our customers, as outlined in the Sustainability Report on pages 80 to 85.

Board Leadership and Company Purpose

Continued

Board oversight of culture

Our success is based on a culture of trust amongst our colleagues, globally. To support and ensure this trust, we continuously monitor and develop further insights into the culture operating within the business. In doing so, we review the following throughout the year:

Area	Link to culture
<p>View from the top</p> 	<p>Town halls allow the dissemination of information to employees across the Group and enable local leadership to communicate the right behaviours and cultural expectations, as well as give peer nominated awards for demonstrating our 10X energies. Town halls occur monthly at every Intertek location globally; they are monitored as it is a Core Mandatory Control and thus reported to the Audit Committee. The 10X growth, coaching, training, people planning and the focus on recognition at all levels ensures that the right values and culture are driven throughout the organisation.</p> <p>André Lacroix, Gurnek Bains and Tony George (Executive Vice President, Human Resources) held a session during the year on the Board Promise and its role in shaping the culture within Intertek.</p>
<p>Globally aligned reward and incentive schemes</p> 	<p>Our long-term incentive schemes are aligned so as to drive the right behaviours and values of our business, globally, in line with our purpose. More information is outlined in the Remuneration Committee report on pages 136 to 162.</p>
<p>Health & wellbeing</p> 	<p>Due to the importance we place on safety within Intertek, we have updates at every Board meeting on Health & Safety statistics across the Group to monitor trends year-on-year and ensure that the right practices are being followed. There have been regular emails to the Board to closely monitor our people's health and wellbeing during the pandemic using a '5-category' system, with 'net' data to reflect the number of people in each category, excluding those who have now recovered or returned to work due to Covid-19.</p> <p>We took important steps to support our own wellbeing by introducing our new global wellbeing programme, Kindness. It is a personal experience that will help each one of our people make sure that they do the simple things to help build their own personal strength and resilience – to help us re-energise, boost our wellbeing, and unleash our potential.</p>
<p>Ethics and compliance reports</p> 	<p>Updates at every Board meeting on all hotline and whistleblowing reports and analysis by issue type. This enables the Board to determine if there are any trends which need further analysis or investigation. For more information see pages 112 and 168.</p>
<p>Training</p> 	<p>Everyone in the organisation completes annual training on the Intertek Code of Ethics to demonstrate our understanding of, and commitment to, the highest standards of business conduct and ensure that we do business the right way. For more information see page 168. There is also annual training on the Core Mandatory Controls with further information outlined on pages 75 and 134.</p>
<p>Key claims reports</p> 	<p>Updates at every Board meeting on all legal claims and a review of the significant legal claims by the Audit Committee to monitor the trends and types of claims.</p>
<p>Internal audit reports</p> 	<p>Updates at every Audit Committee meeting on internal audit reports, the areas of non-compliance with the Core Mandatory Controls and actions taken to address the non-compliance together with trend analysis to underscore that we are 'Doing Business the Right Way'.</p>
<p>Acquisitions</p> 	<p>When the Board is considering acquisitions, one of the factors the Board considers is the culture of the business being acquired and how it will fit within the Intertek Group. The Board deemed the acquisitions of JLA Brasil Laboratório de Análises de Alimentos S.A and SAI Global Assurance to have similar cultures of high performance and having passion for their customers.</p>

Employees' perspective on our culture

Virtual visits to locations across the world to see the culture operating in situ and receiving views on our culture directly from employees:

||

The 10X culture is keeping us motivated and giving us more confidence in what we do best."

Raymon Kartoredjo
Laboratory Manager
Suriname

||

I would never have expected such a natural connection, communication, open discussions, and information sharing. We come from many walks of life, yet clearly talk the same language, have the same values, and pursue the same clear objective to become even stronger. By the end of these meetings, I can proudly say that we were just one team."

Marta Escudero, SAI EMEA Manager and Regional Director, Business Assurance UK, Spain & Portugal

A force for good

At Intertek we are passionate about our purpose and today that means striving to make the world a better, safer and more sustainable place for all.

||

Following the virtual induction that we both received as new Non-Executive Directors on the Board, we were delighted to see the communality of culture, commitment to values and purpose clearly demonstrated during the Non-Executive Director induction at each of the various sites and countries across the Group."

Lynda Clarizio and Tamara Ingram
Non-Executive Directors

||

The 10X culture fosters work with integrity, allows us to set goals that challenge our capacity, promoting our efforts to advance every day in continuous improvement, aligned to corporate strategies and being effective in our work."

Maria Victoria Zavala
Quality Assistant ('QHSE'), Chile



Board and Committee framework

Our Board of Directors



The Board has the ultimate and collective responsibility to promote the long-term sustainable success of the Company, ensuring that value is created for shareholders and contributes to wider society through its effective, entrepreneurial and innovative leadership of Intertek. They ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. Our Board consistently acts with integrity, leads by example and promotes the culture to ensure dissemination throughout the Company. It sets the strategic aims of the Company, its purpose, customer promise, vision and values in alignment with our culture as outlined in the Strategic Report on page 14 to 25.

The Board recognises the importance of its obligations under section 172 of the Companies Act 2006 to engage with, and consider, key and relevant stakeholders as part of its decision-making process. More information on the principal decisions made by the Board are on page 56.

The activities of the Board during 2021, and how the Board's governance contributes to the delivery of Intertek's strategy, is outlined on pages 110 to 111.

The Board delegates certain matters to its three principal Committees to carry out business as defined in their respective Terms of Reference. The remit, authority and composition of each Committee are clearly laid out and reviewed regularly to ensure that the support provided to the Board is effective. The Board also maintains the Board Approval Matrix which outlines the matters reserved for the Board. When necessary, the Board may delegate very specific matters to ad hoc subcommittees with clearly defined responsibilities and for a limited period of time. The Terms of Reference for each Committee and the Board Approval Matrix are available at intertek.com.

Nomination Committee

Ensures the Board and its Committees have the correct balance of skills, experience and knowledge and that adequate and orderly succession plans are in place.

Audit Committee

Oversees the Group's financial reporting, ensuring the effectiveness and independence of the external and internal audit functions and reviews the Group's financial internal controls.

Remuneration Committee

Establishes the Group's Remuneration Policy and ensures that it supports the strategy promoting the long-term sustainable success of the Group and there is a clear link between performance, remuneration and alignment with our purpose, values and strategy.

Leadership Team



The Board delegates specific responsibilities, subject to certain financial limits, to management. This is governed by the Core Mandatory Controls, an annually reviewed and refreshed framework that allows the delivery of the strategic aims and financial performance whilst allowing risk to be assessed and managed.

Biographical details of the Leadership Team can be found on our website.

Supporting Committees



The Leadership Team operates a number of supporting committees which provide oversight on key business activities and risks, including the:

- Disclosure Committee
- Ethics and Compliance Committee
- Group Investment Committee
- Group Risk Committee
- Sustainability Operating Committee

Board activities in 2021

The following pages give an insight into how we, as a Board, use our meetings as a mechanism for discharging our responsibilities, including how the consideration of stakeholders is embedded into our workings as a Board and the range of matters we considered and discussed throughout the year.

Each Board meeting follows a carefully structured agenda agreed in advance by the Chairman, CEO and Group Company Secretary; this ensures that proper oversight of key areas of responsibility are scheduled regularly and that adequate time is available for the Board to fully consider strategic matters. Every December, the Board reviews, discusses and agrees the Group's strategic plan and objectives. During the year, the Board then monitors and reviews the performance of the business to ensure that the strategic objectives are being met. The topics in the following table are presented to the Board for review against the 5x5 strategy to ensure that the goals underlying our strategy for growth have been met during the year. The 5x5 strategy and goals are outlined in the Strategic Report on pages 14 to 15 and the outcome of some of the decisions made by the Board during the year in line with the 5x5 strategy are outlined on page 56.

In addition to regular items, we receive presentations from the Leadership Team and global leaders across the business on their areas of responsibility and expertise. External speakers also present periodically to provide an overview on global or regional matters. One meeting a year is conducted overseas, however, due to the pandemic, this year it was again held virtually. At the start of the pandemic, we moved rapidly to virtual meetings. The technology has worked extremely well and has enabled the Board and its Committees to fully participate in all discussions and discharge our responsibilities seamlessly.

Principal risks

- 01 Reputation
- 02 Customer service
- 03 People retention
- 04 Macro-economic
- 05 Health, safety and wellbeing
- 06 Industry and competitive landscape
- 07 IT systems and data security
- 08 Covid-19
- 09 Contracting
- 10 Regulatory and political landscape
- 11 Business ethics
- 12 Sustainability
- 13 Financial risk

Strategic priorities

- Differentiated brand proposition
- Superior customer service
- Effective sales strategy
- Growth and margin-accretive portfolio
- Operational excellence

Key to stakeholder groups

- i. Customers
- ii. Communities
- iii. Investors
- iv. People
- v. Suppliers
- vi. Other

Topics	Link to strategic priorities	Link to stakeholders
Strategy		
Link to risks: 01 02 03 04 05 06 07 08 09 10 11 12 13		
2021 Board Strategic Agenda		i. ii. iii. iv. v. vi.
Group M&A strategy		i. ii. iii. iv.
Consideration and approval of acquisitions		i. ii. iii. iv.
Build Back Ever Better		i. ii. iii. iv. v. vi.
Global business line reviews: Electrical/Connected World/Softlines/Hardlines		i. ii. iii. iv. v.
Group strategy update and strategic plan		i. ii. iii. iv. v. vi.
Group Portfolio update		i. ii. iii. iv. v. vi.
Group IT strategy		i. iv. v.
Topics for the 2021 strategy session		i. ii. iii. iv. v. vi.
2022 annual budget and five-year plan		i. ii. iii. iv. v.
Financial management and performance		
Link to risks: 01 04 06 07 08 09 10 11 12 13		
CEO report		i. ii. iii. iv. v. vi.
Finance report		i. ii. iii. iv. v.
Investor Relations report		iii.
Financial forecasts		iii.
Approval of full-year results, Annual Report & Accounts, half-year results and the AGM circular and proxy		iii.
Dividends		i. ii. iii. iv. v. vi.

Board activities in 2021

Continued

Topics	Link to strategic priorities	Link to stakeholders
People and culture strategy		
Link to risks: 01 02 03 11 12 13		
Group Talent Planning		iv.
Group People Strategy		iv.
Executive Committee succession planning		iv.
Sustainability		
Link to risks: 01 03 04 05 06 08 10 12		
Sustainability moments		i. ii. iii. iv. v. vi.
TCFD risks opportunities and impact		i. ii. iii. iv. v. vi.
Corporate governance		
Link to risks: 01 02 03 04 05 06 07 08 09 10 11 12 13		
Reports of the activities of the Audit, Nomination and Remuneration Committees		iii. iv. vi.
AGM preparation (Chairman's script, Questions & Answers, proxy votes and voting reports)		iii.
Chairman's corporate governance roadshow feedback		iii.
Re-election of Directors at the 2021 AGM		iii. iv.
Directors' conflicts of interest		i. ii. iii. iv. v. vi.
2021 External Board, Director and Committee evaluation process		i. ii. iii. iv. v. vi.
2020 Internal Board effectiveness review		i. ii. iii. iv. v. vi.
Purchase of shares by ESOT		iv.

Topics	Link to strategic priorities	Link to stakeholders
Compliance and risk		
Link to risks: 01 02 03 04 05 06 07 08 09 10 11 12 13		
Quarterly Integrated Risk, Control, Compliance and Quality report		i. ii. iii. iv. v. vi.
Modern Slavery Statement		i. ii. iii. iv. v. vi.
Customers		
Link to risks: 01 02 03 04 05 06 07 08 09 10 11 12		
Group Innovation Strategy		i.
Marketing Strategy		i. iii.
Other		
Link to risks: 01 02 03 04 05 06 07 08 09 10 11 12 13		
Europe and Central Asia overseas Board meeting		i. ii. iii. iv. v. vi.

Board activities in 2021

Continued

Compliance, whistleblowing and fraud

Intertek is committed to maintaining a culture where issues of integrity and professional ethics can be raised and discussed, which is aligned to our values to always do the right thing with precision, pace and passion. This also forms part of our 5x5 strategy for growth. The Group's key ethics and integrity policies are set out in the Code of Ethics and a detailed description of the topics covered by the Code of Ethics, its operation during the year and the outcomes of these policies are contained in page 168. All third parties working are required, as a condition of engagement, to document their acceptance and understanding of the Intertek Code of Ethics, and Intertek Anti-Bribery Policy before commencing work on our behalf. It is the responsibility of each third party acting on Intertek's behalf to understand and apply these two Intertek Policies in their part of the business.

Whistleblowing is the responsibility of the Board and the Group has a whistleblowing process, which includes a global hotline system enabling all employees, contractors, suppliers and others to confidentially report suspected misconduct or breaches of the Code of Ethics. Hotline posters are required to be displayed in a clearly visible position in each Intertek site and is a core mandatory control. This is supported by dedicated Compliance Officers across the Group's markets who undertake the investigation of any issues arising from reports to the hotline system or from other sources, such as routine compliance questions. The Board receives quarterly reporting on whistleblowing and integrity issues. The Group Compliance function is independent of the Group's operational business and reports directly to the Group General Counsel.



Hotline poster in English



Hotline poster in Arabic



Hotline poster in Traditional Chinese



Code of Ethics booklet in Spanish

Internal control and risk management

The Board is ultimately responsible for monitoring the Group's system of internal control and risk management and ensuring its effectiveness. Monitoring and reviewing the effectiveness of the Group's internal and risk management controls is discharged by the Audit Committee and they report to the Board on its evaluation of the systems in place. The Board confirms that it has completed a robust assessment of the Group's emerging and principal risks and that the Company has fully complied with the Financial Reporting Council's ('FRC') Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. Further information on the framework, its effectiveness and on our financial risk management systems can be found in the Audit Committee report on page 134.

Risk management and internal controls are embedded in the running of each division, business line, country and support function and oversight is provided by divisional, regional and functional risk committees. Each risk committee in turn reports to the Group Risk Committee ('GRC'). The Group identifies and tracks its risk environment using a risk register process whereby the risk committees produce a register of emerging risks in their area of responsibility which are then consolidated at Group level. The GRC uses the Group Risk Footprint for the year under review, with associated mitigation action plans as its baseline, to then add new emerging risks and/or plans, facilitated by the GRC's quarterly risk review process. The Board agreed the incorporation of three new risks for 2022 being Contracting, Macro-economic and Sustainability and noted the recalibration of existing risks as outlined on pages 44 to 49. At each Board meeting during 2021, the Group General Counsel presented an integrated risk, control, compliance and quality report including a review of:

- the Group's emerging risks, the status of the quarterly emerging risk mitigation action plans and the new quarterly emerging risk mitigation plans;
- the specific systemic risks including quarterly hotline and whistleblowing reports, key claims and unlimited liability contracts; and
- the Group's systemic risk environment, the status of the quarterly systemic risk mitigation action plans and the new quarterly systemic risk mitigation plans.

Further information on how Intertek has implemented an end-to-end integrated approach to risk, control and compliance is outlined on pages 167 to 169.

Governance and Sustainability

Sustainability is central to everything we do at Intertek and as a purpose-led Company, it is anchored in our purpose, vision and values and the Board, as part of their overall stewardship of the Company, oversees the Group's sustainability and corporate responsibility, together with any material environmental and social issues. The Board recognises the importance of sustainability to all our stakeholders, together with the increasing risks associated with climate change and ensures that at every Board and Committee meeting, the first item on every agenda is a 'Sustainability Moment' to demonstrate its importance to the future long-term sustainable success of Intertek. The Board has delegated responsibility to two newly formed workstreams: the Net Zero Steering Committee and the Beyond Net Zero Steering Committee. Further information on the composition of these steering committees, together with their remit, is outlined on page 99.

At Intertek, we believe that we are Born to Make the World Ever Better. For more than 100 years, sustainability services have been core to our global business. As a provider of Sustainability Assurance solutions, we continue to innovate and launch products to support the sustainability efforts of our customers, suppliers, people and investors. In April 2021, we launched our new Intertek CarbonZero certification programme, an independent and traceable carbon neutral certification programme for products and services, which complements the Intertek CarbonClear programme which was launched in July 2020. Intertek CarbonZero certifies the achievement of carbon neutrality by combining emissions intensity certifications such as CarbonClear, together with certification of traceable high-quality carbon capture or reduction investments. Intertek CarbonZero certification enables companies worldwide to confidently market qualifying carbon neutral products and services as Intertek CarbonZero Verified, demonstrating tangible and auditable progress on the path to carbon neutrality. We have since issued the first Intertek CarbonZero Verified certificate; the world's first independent carbon neutral certification for a crude oil trade.

Intertek is committed to tackling and minimising the effects of climate change; in 2017 we set ourselves the target of reducing GHG emissions per employee by 5% by 2023. Furthermore, we have signed up to the Science-Based Targets initiative which means that we are formally committed to setting independently verified science-based GHG emission reduction targets. Our aim is for our science-based targets to be aligned to limiting global temperature rise to below 1.5°C and reaching net zero emissions no later than 2050.

In November 2021, Intertek joined other leading global companies and governments as part of the LEAF Coalition, a new public-private initiative designed to accelerate climate action by providing results-based finance to countries committed to protecting their tropical forests, which successfully mobilised \$1 billion in funding in the run up to COP26. Intertek is proud to join the LEAF Coalition and contribute to accelerating the pace and scale of global forest protection, in a period when climate change concerns are ever prevalent.

Intertek has also joined the UN Race to Zero campaign – a global effort from the United Nations Framework Convention on Climate Change that calls for a resilient, zero-carbon recovery from the Covid-19 pandemic and is aligned with our own ambitious agenda to Build Back Ever Better.

Our other beyond net zero sustainability targets continue to be embedded within the Group and we report progress on these on page 28.

As a multinational company, we recognise that, although our own operations may not be as energy intensive or resource depleting as other industries, we are still exposed to various types and degrees of risks associated with climate change. We therefore acknowledge that it is important for us to lead the effort globally to mitigate the adverse effects of climate change by both reducing our own emissions, as well as helping those across our value chain. More detailed information on our goals to address climate-related issues, and our strategy for achieving these goals, can be found on pages 86 to 87.



Stakeholder relations

For more than 130 years, Intertek has understood its role in society as companies around the world have depended on us to help ensure the quality and safety of their products, processes and systems. We are focused on driving long-term sustainable performance and recognise the importance of considering Intertek's responsibilities to our customers, shareholders, and wider stakeholders. We, as a Board, are clear on our legal duty to act in good faith, to promote the success of the Group for the benefit of shareholders and have regard to the interests of our stakeholders and other factors. These include the likely consequence of any decisions we make in the long term; the interests of employees; the need to foster the relationships we have with all of our stakeholders; the impact of our operations on the community and the environment; the desire to maintain the highest standards of business conduct and to act fairly between shareholders.

The Directors' duties under section 172 of the Companies Act 2006 help to underpin the good governance which is at the heart of what we do. Details of how we met our obligations during 2021, by taking account of shareholder and wider stakeholder interests in our strategic planning and decision-making processes, are outlined in the section 172 statement on pages 55 to 61 in the Strategic Report. Today, the expectations of all stakeholders – employees, customers, consumers, investors, suppliers, communities and wider society, governments and regulators – continue to rise. This statement summarises how we have had regard for the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by us during 2021. Details of the principal decisions we have taken during 2021 are set out on page 56 and the value we create for our stakeholders is outlined on pages 23 to 25 in the Strategic Report.

In 2021, we launched our Build Back Ever Better ('BBEB') platform at bbeb.com and by making our Company ever better, and by helping our clients to make their businesses ever better, Intertek is uniquely positioned to inspire our communities and ultimately the world to Build Back Ever Better. With BBEB we are building a movement to inspire everyone within Intertek and beyond – our clients, friends and families, communities and governments – to make a positive difference to society.

The next section summarises how we have engaged with employees during 2021 and how we have had regard to their interests and the result of that engagement. Our approach to investing in our people to attract, develop, retain and reward our employees is outlined on pages 73 to 79.



It's inspiring to see how the BBEB platform is gaining popularity among Intertek colleagues. Every post leaves a mark of its contributor and shows great initiatives that everyone can do to make the world ever better, together."

Iker Albestain

Marketing & Communications Manager, Intertek Spain

Workforce engagement

In line with the Code, this section outlines our engagement with our employees. After extensive discussions when the Code was introduced, we decided not to choose one of the methods suggested in provision 5 of the Code due to the global nature and size of the business, together with the complexity and diverse make-up of the various sectors and regions in which we operate. Instead, we utilise a multi-faceted approach to workforce engagement to make certain that what is in place ensures that we, as a Board, receive 360° multi-source feedback to assist us in evaluating the different views and perspectives from our employees across the Group. We keep our engagement mechanisms under review and continue to believe that this methodology remains effective as it enables us, the Board, to fully understand the views of the workforce when taking such considerations into account as part of our decision-making process. This is vital as our people are core to our business and make it happen 24/7.






The way in which our people combine passion and innovation with customer commitment to create a single unbeatable asset sets us apart and is a vital element of our entrepreneurial, customer-centric culture. The variable remuneration structure and policy for the Executive Directors cascades down to the wider workforce and is communicated throughout the Group, ensuring engagement across Intertek to ensure alignment with our purpose, drive the right behaviours and to deliver the 5x5 strategy. We are focused on ensuring that our strategy and culture give our people the right platform to not only grow and develop their careers, but to support our purpose in making the world a better place by bringing quality, safety and sustainability to life for an ever better world.

We have utilised technology to ensure that throughout the uncertain landscape that the pandemic presented, we remained ever connected with our people, globally. Microsoft Teams has been instrumental in providing instant communication between all business lines and functions; in particular it has enabled the Board to virtually meet and visit far more employees and sites than previously possible.

The way our colleagues have come together to embody our purpose to bring quality, safety and sustainability to life for an ever better world has been an inspiration to all during the pandemic. Their commitment to our customers to go above and beyond and deliver superior customer service has truly demonstrated the strong customer-centric ethos at the core of Intertek. Our success is based on the energy and enthusiasm with which our people react to our meaningful purpose.

Our Vision

Our vision is to be the world's most trusted partner for Quality Assurance, underpinned by our shared values:

-  **We are a global family that values diversity.**
-  **We always do the right thing, with precision, pace and passion.**
-  **We trust each other and have fun winning together.**
-  **We own and shape our future.**
-  **We create sustainable growth. For all.**

How did we engage?

The world needs Intertek more than ever, with the unrivalled expertise of our people, our focus on delivering risk-based Total Quality Assurance solutions, and our proven track record of innovating and anticipating the growing needs of our clients as the world around them grows more complex.

Our employees continue to go above and beyond their normal call of duty and below are just a few examples of that:

Intertek's Connected World launched App Assured, a new online facility where clients can order a security test of their website or mobile application with speed, convenience, and confidence. The Covid-19 pandemic has resulted in a surge of online activity – from e-commerce to video conferencing to remote learning to livestreaming entertainment, and, of course, social media. According to Statista, the daily average in-home data usage in the US increased by nearly 40% from March 2019 to March 2020. Not surprisingly, this has also brought about an increasing number of cyber-attacks and security risks, making Intertek's expertise in cyber security more relevant than ever. App Assured is a secure, online portal making online security accessible to clients, existing or new, wherever they are in the world.

Intertek Lintec expanded the global reach of Protek Services to address pandemic risk management for the maritime industry.

Business Assurance and Food Services issued a podcast aligned with this year's Earth Day theme, 'Save The Bees' with a discussion about honey crystallisation, featuring Intertek experts.

Intertek Chemicals & Pharmaceuticals ensuring the microbiological quality and safety of cosmetics by establishing challenge testing to directly support our customers' need to launch safe, high quality and innovative cosmetics products now and for future innovations.

Intertek Maison, Intertek's Centre of Excellence dedicated to the luxury and premium industries, announced the launch of Maison Sessioni, a webinar series exploring the fashion world's most pressing questions. The webinar discussed 'How to choose sustainable materials' in fashion and the fashion value chain – a key concern during the creative process for designers and materials research, in compliance for product managers considering quality and sustainability and, at the end of the design and manufacturing process, to final consumers.

Intertek's Softlines business line launched an innovative Mask Label Program, a voluntary programme for Intertek customers who test their mask products at one of our PPE Centres of Excellence. The Mask Label Program will help support our customers by communicating the verified quality and performance attributes of mask products through an Intertek Mask Label.

Overleaf, we outline how the Board ensures that it has the right touch-points across the world for employees, regardless of their country or site, to engage. This ensures that their views are understood to provide the necessary feedback and data that the Board can then incorporate as part of its strategic decision-making process during the year to determine the impact of such decisions on our employees.