



# INTERTEK GROUP TAX STRATEGY

## Introduction

This tax strategy document sets out Intertek's approach to managing the Group's tax affairs and the risks associated with them. It is guided by an overall adherence to corporate and social responsibility in the countries in which we operate, while serving the interests of our customers, employees, creditors and stakeholders.

Intertek is a global organisation with over 44,000 employees in 1,000 locations in over 100 countries.

This tax strategy document is approved by the Board of Directors and is subject to periodic review, with any necessary significant changes submitted for approval by the Board. This document is compliant with the requirements under paragraph 16(2) of Schedule 19 to Finance Act 2016, applicable in the United Kingdom for the financial year ending 31 December 2020.

## Tax principles

We support efforts to increase transparency, trust and understanding of the tax system.

We seek to comply with all relevant tax laws and obligations in, wherever we operate. In-line with our values and overarching Code of Ethics, the Group is committed to complying with all tax laws, guidelines and standards determined by countries' laws and international treaties and conventions.

Intertek supports the implementation of the OECD country-by-country reporting ("CBCR") framework as being an effective way to improve tax transparency, increase trust in the international tax system and deal with international tax avoidance.

We do not engage in tax evasion nor planning that aims to achieve results that are contrary to the intention of legislation.

We are committed to paying the taxes determined by the laws in each country where we do business. We do use incentives and relief efficiently where appropriate to sustainably support our business reflecting the commercial substance of operations.

At the same time, we have a responsibility to our shareholders to be financially efficient and deliver a sustainable tax rate in the context of the commercial needs of the Group and within all applicable laws.

We believe in a transparent, constructive and open dialogue with tax authorities, whilst seeking to maintain co-operative and trusted relationships.

## Governance, Assurance and Tax Risk Management

The Board of Directors of Intertek Group plc has overall responsibility for tax. The Board discharges its responsibilities by satisfying itself there is an effective organisation and control environment in place.



The Group Chief Financial Officer advises the Board of the tax control environment and is responsible for the setting of the Tax Strategy, in conjunction with the Group Chief Executive Officer.

At Intertek, the Group Risk Committee, whose membership includes the Group Chief Executive Officer, the Group General Counsel and the Executive Vice President, Human Resources, has the overall responsibility for risk management in the business. It has established Regional, Divisional and Functional Risk Committees to monitor, assess and manage key risks faced by the Group.

Intertek is a global business that operates in over 100 countries. The key tax risks that can arise from this scale and complexity include:

- Changes in tax law or interpretation
- Incorrect implementation of advice
- Facts, assumptions or circumstances change
- Transfer pricing

Policies and procedures are in place, which support the management of tax risks, along with documented systems, processes and controls. Examples include:

- A comprehensive tax management framework which sets out tax compliance obligations, tax policies, tax procedures, and sign offs required in common transactions and scenarios.
- For complex and material transactions and scenarios, the business is required to involve the tax function. The tax function acts as a business partner to provide clear advice and guidance to the Group's business operations, seeking external expertise support when considered necessary.
- The tax function is comprised of suitably qualified individuals, and Intertek supports their continued training and development in order that they can provide relevant technical advice.
- In line with current OECD guidelines we base our transfer pricing policy on the arm's length principle and support our transfer prices with economic analyses and reports.

The Group is not prescriptive in terms of an acceptable level of tax risk, however, the Group takes its corporate responsibilities seriously and recognises the need to make its required tax contribution in the many territories in which we operate.

### **Attitude to tax planning**

The Group seeks to fully comply with applicable tax laws and to pay the right amount of tax at the right time in the countries in which we operate.

Where it is appropriate to do so, the Group will structure its affairs tax efficiently, with a view to maximising value on a sustainable basis for our customers and stakeholders. Tax planning will only be considered in the context of the commercial needs of the Group and within all applicable laws. We will not consider putting in place any arrangements that are contrived or artificial where the sole purpose is for the avoidance of tax.



### **Approach towards relationship with tax authorities**

The Group seeks to maintain professional and open relationships with HMRC and other tax authorities that it deals with, in particular acting in a cooperative manner with a view to having this approach reciprocated.

Intertek takes appropriate steps to demonstrate that it is a compliant business with effective tax management processes and controls. The Group aims to work with tax authorities in a timely and constructive manner to resolve disputes should they arise.