

Corporate Social Responsibility Report

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Introduction from the Chief Executive Officer

We continue to insist on the worldwide strict application of our ethical standards, which are fundamental to the success of our business. Our work helps our customers improve the quality, safety and sustainability of their products and enables consumers to rely on our customers' claims for their products. It is essential to us that the advice we give and the services we provide globally are independent and are seen to be so. Our Code of Ethics and Compliance Code are designed and implemented to help us achieve this.

This year we celebrated 20 years of operations in China. In that time China has achieved remarkable economic progress, with which Intertek's growth and development has been closely linked. Innovation, openness to global trade and increasing emphasis on sustainability, have corresponded with developments in Intertek's service offerings, leading us to world-class expertise across a full range of quality and safety activities. We operate in many countries but in our dealings with employees, customers and other partners we aim to provide the local approach, as the following report shows.

Our business

The range of services we provide has continued to increase. During 2009 we have introduced new ways of helping our customers to assure their customers of the quality of their products and we have added new capabilities to our services.



Our Green Leaf Mark, which helps consumers identify products that meet a range of international regulatory environmental standards, was launched in 2009.

Our main driver, as ever, is to provide the services that are needed to help customers around the world improve their products and reduce their risk. The benefits that arise may be environmental, for example by showing customers how to reduce hazardous waste or developing energy efficiency labelling programmes, or they may be in the safety of the product.

We are a world leader in the design of safe products, with particular expertise in children's toys. Our centres of excellence in Chicago and London provide advice to some of the world's largest product brands to advance the design of safe products in the marketplace. In partnership with industry and health bodies we collect and analyse safety data in connection with child accidents, and use this information to help our customers design safer products.

Our work includes testing compliance and effectiveness targets in the production of biofuels and ethanol, assisting customers to comply with ultra low sulphur diesel legislation, and helping to assess low energy and low emission equipment.

We provide audit and consultancy services to corporations, non-governmental and regulatory organisations to improve the social and ethical impact of their operations. Increasingly consumers around the world want peace of mind that products they have purchased have not been created through social or ethical abuses of workers or unfair trade. We audit factory conditions and work practices to ensure that they are legal, ethical and humane. We work with corporations to develop bespoke global CSR standards and programmes to ensure that they exceed minimum social and ethical thresholds in their sourcing. We have successfully initiated partnerships and collaborations with non-governmental and not-for-profit organisations to improve standards.

The American Society for Quality has created the Spencer Hutchens Jr. Social Responsibility Medal which each year recognises the achievements of an individual who has been an outstanding advocate for social responsibility. Spencer Hutchens, after whom the medal is named, is a senior Vice President of Intertek in California, a global expert in the field of quality control and an Academician for the International Academy for Quality.

Our values

Our principal aim is to use our resources to add value to our customers' products and processes whilst employing the highest standards of integrity in business.

Our Mission Statement

We will:

- promote a culture where motivated customer-orientated employees can flourish, experience professional fulfilment and reach their highest potential;
- act with integrity, honesty and respect;
- value each employee's contribution toward achieving our business objectives;
- value trust and personal responsibility; and
- respect diverse perspectives, experiences and traditions as essential.

In all our activities we aim to:

- be both commercial and fair;
- recognise the importance to all stakeholders of ensuring the health and safety of all our employees;
- maintain our integrity and professionalism; and
- strive for continual improvement and innovation.

The following systems help us ensure that our values are maintained:

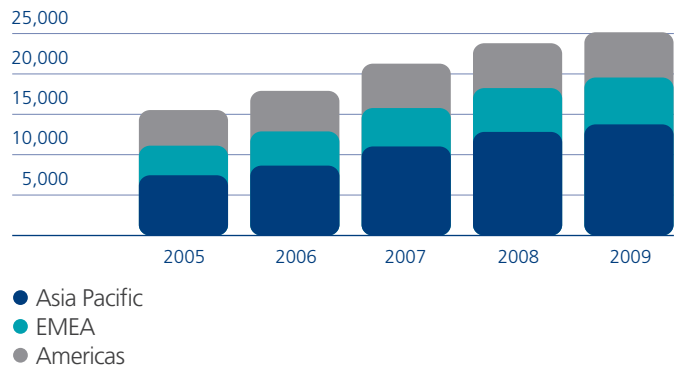
- all employees are required to sign the Group's Code of Ethics, which sets out our robust stance on upholding sound business ethics;
- our central compliance team ensures that our policies and procedures are properly applied in practice and that they remain appropriate to the business;
- all employees have access to whistle-blowing hotlines. Employees and external parties also have access to a hotline through the Group website; and
- our Audit and Risk Committee regularly reviews the outcomes from hotlines and compliance reports on behalf of the Board.

Our employees

Our principal strength is the talent of our employees. Our intention is to unlock the potential of every employee to perform to the best of his or her abilities. This enables us to achieve maximum results for them, our customers and shareholders.

At 31 December 2009, we employed 25,183 people, an increase of 5.6% over the prior year. The growth in employee numbers in each region over the past five years, is shown in the following graph. The largest increase was in the Asia Pacific region where more than 55% of employees are based. Because we operate in so many countries, we have adopted a framework of human resource procedures and policies to ensure a fair and consistent approach to employee matters around the Group.

Growth in employee numbers



Objectives

Our focus this year has been on:

- training;
- the strength of our collective leadership;
- communications with employees; and
- improving our capacity to attract, retain and motivate employees.

Our policies

We have framework policies in place that enable us to treat employees fairly across the Group, whilst still giving local managers the authority and flexibility to adopt what is right for their local area. As we grow, whether organically or by acquisition, we continue to promote and monitor these policies, which are concerned with matters such as fair recruitment, performance assessment, internal communications and remuneration.

The graph above shows how our workforce is distributed geographically and why it is important for us to respect regional and cultural differences. Our human resource managers support the progress of our people through country-specific teams who are able to respond to local circumstances. Our strategy is to develop and promote locally for the best blend of understanding of the local market, with provision of career progress opportunities for everyone. We continue to give opportunities to the most talented individuals to advance into international management.

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As part of our equal opportunities policy, people with disabilities are given the same consideration as others when they apply for jobs. Depending on their skills and aptitudes, they enjoy the same career prospects as other employees. If employees become disabled every effort will be made to retain them in their current role or to look at possibilities for retraining or redeployment within the Group. Where necessary the Group aims to provide these employees with facilities, equipment and training to assist them in doing their jobs.

Our ongoing commitment to reduce workplace injuries continues with good results. In the USA, which accounts for some 10% of our workforce, there was a significant reduction in the injury rate for 2009 compared with 2008, which was a statistically good year. Hazard awareness, safety training and local cultural development are helping to reduce injuries.

Also in the USA we are targeting specific safety training needs through 'learning paths' assigned by job responsibility and we use online monitoring of and documentation for particular groups, such as the employees who deal with dangerous goods shipments.

In several countries an incident log is maintained and posted on the intranet, allowing management to view injuries or near misses at other locations and discuss 'lessons learned' with their employees.

The health and safety of our employees is of paramount importance to the Group. We aim to provide a safe working environment and ensure that our employees have the information and knowledge to perform their duties safely. We are committed to maintaining high standards and complying with relevant local legislation and guidelines in any area in which we operate. We continually seek to minimise harm to our employees and our procedures are regularly monitored by our compliance team to ensure that they are being properly applied in practice.

We continually strive to promote a safety culture. In the UK this has led this year to the creation of a safety committee that effects HSE improvements country-wide rather than on a business-line basis and better identifies areas that need additional support. Also in the UK, all safety representatives are required to gain the IOSH Managing Safely certificate.

Information about employees

It is important to monitor progress in matters such as diversity, employment of disabled people, training, employee retention and safety, to attain the best results for the Group. The more information we have, the better we will be able to make changes when they are necessary.

Group-wide human resource meetings and intranet-based sharing of information are used to communicate objectives and share knowledge and we have begun to introduce software that will, once extended around the globe, provide us with more detailed and consistent data.

Information for employees

Good communication is the basis of every successful relationship and we continually look for ways to increase two-way communication opportunities with our employees. We particularly need to ensure that our employees are aware of our ethical, risk and safety procedures.

The development of virtual communities through the extended intranet allows us to communicate and promote best practice in matters such as safety or marketing around the Group more speedily than before.

With the increasing range and complexity of our activities we are investing more in the flow of information up, down and across the Group to enhance commitment to Group values and consistency in how we support customers and each other. We have extended the use of our intranet to encourage Group-wide communication and knowledge sharing. Our intranet is being built into an online encyclopaedia of the Group, a home to internal communities, a reference for policies and information and an e-learning forum.

Online safety training began during the year. In the USA our online training programme was expanded to include additional safety, health and environmental matters and safety bulletins. Health, Safety & Environmental 'flash' notifications are used for notices that need to be issued quickly.

We use face-to-face review meetings, safety meetings, regular management meetings and, increasingly, country-focused newsletters to give and receive information.

Employees are also able to use our confidential telephone and email hotlines if they have any issues that they want to communicate anonymously. All hotline calls are investigated sensitively by our compliance managers.

Our Intertek as One programme of cross-divisional liaison has contributed to increased knowledge of the Group and to better opportunities for our employees through regional and country-based meetings, communications and workshops.

Share interests

We are committed to encouraging our senior executives to align themselves with the interests of shareholders and the Group's performance through the ownership of the Company's shares. The Company operates a long-term incentive share plan for senior executives and requires the most senior of them to retain some of the shares they obtain through this plan. More information about the plan is contained in the Remuneration Report which starts on page 53. We are pleased to note that a number of our employees have chosen to invest in the Group and that some £5m of our shares were held by employees and Directors at the end of 2009.

Our communities

Because of the decentralised structure of our Group and the nature of our activities, community involvement is organised at local level by local managers. We recognise the importance of our relationship with the communities in which we operate, and encourage our businesses and employees to undertake community service and charitable giving.

Here are some examples:

In Thailand, where there has been flooding, our managers obtained the consent of a number of customers and were able to redeploy product samples not needed for testing – giving toys, clothes and utensils to local recipients.

Following the earthquake disaster in China, we joined with other companies in donating 50,000 books to children in the affected area.

Intertek in Taiwan supported the restoration work in Taiwan after the devastation caused by Typhoon Morakot, not only with a donation to the Red Cross, but by offering free food microbiology and chemical testing and also giving several jobs to victims. A Red Cross donation was also made by employees in Vietnam to help the victims of Typhoon Ketsana there.

Intertek in Singapore is a strong advocate of developing the scientists of tomorrow. On average 30 students per year take part in a structured intern training programme, enabling them to gain valuable industry experience and enhance their academic training.

In Africa, Intertek donated 20 used computers to two schools in the rural areas of KwaZulu Natal (KZN), which were identified as needing assistance by the KZN Department of Education.

Each year Intertek employees visit an orphanage called Bevies Nursery which caters for children with different disabilities or who are infected with HIV/AIDS, and provides the children with clothes, uniforms, toys, books, food and other items. The orphanage is located on the north of KZN and has become part of the Intertek family.

We also encourage the development of links with professional peers, providing lecturers and examiners and contributing to publications and presentations.

As an example, one of our Manchester based subsidiaries strengthened its relationship with its customers in the chemical industry by hosting an evening for the North West's Chemical Industry Association in 2009.

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Our environment

We have measured our carbon emissions at 10 key sites over the last three years to gain a better understanding of our energy use. This has helped us track the impact of various initiatives on CO₂ emissions. Our Singapore laboratory, for example, showed a much reduced CO₂ footprint following initiatives such as installing motion sensors, reducing fluorescent lighting and adjusting air-conditioning settings.

Our compliance team carries out regular reviews of risks at key sites, and as part of these reviews confirms that the sites comply with applicable environmental legislation. No major issues were identified in 2009 and minor issues were corrected as part of the process. Local operational managers review environmental controls on an ongoing basis.

In common with many areas of Intertek's business, the implementation of our framework policy on the environment is operated by local management in accordance with relevant local legislation and guidelines. A number of projects have been carried out at the local level during the year.

We have continued with the following initiatives:

- reducing paper usage by introducing paper-free delivery to clients, using electronic document management systems, using electronic communication with shareholders and increasing the use of the internet and intranet for communications including telephone calls;
- increasing investment in low-energy equipment;
- increasing recycling schemes throughout the Group;
- reducing carbon-fuel travel by holding meetings by conference call or Webinar and amending travel policies to include environmentally-friendly elements;
- 'green office' initiatives have reduced paper usage, saved energy, and cut costs.

Intertek's compliance team takes an active role in identifying areas where the Group and employees can have a positive effect on reducing our environmental impact. These include energy and water consumption, use of fuel by Group vehicles, reduced use of ozone-depleting substances and waste and by-product production.

We continue to achieve ISO14001 (Environmental management) and OHSAS18001 (Health & Safety management) accreditation in the UK. Three additional sites have been accredited in 2009.

We aim to educate our employees so that we can all work towards a better future for the environment. The circulation of information concerning, for example, energy consumption, is one of the ways we identify and enlist the help of all employees in minimising specific and overall usage.

Our customers, suppliers and shareholders

At Intertek we:

- maintain quality management systems in our divisions and continually monitor the service we provide;
- value and serve our customers, as embodied in our customer-focused mission statement;
- offer an integrated and unified service on a global basis;
- welcome feedback from all stakeholders;
- hold regular feedback meetings with customers and welcome their inspection of our premises;
- provide an accessible feedback service to assess the quality of service provided; and
- conduct customer satisfaction surveys.

As a Group, we do not have any individual suppliers on whom we are overly reliant and we aim to treat all suppliers with fairness and integrity. We strive to create relationships based on mutual trust and ensure payment of all invoices on a timely basis.

Our Compliance Code sets out our business principles including their application in business relationships. The Code is available in the Compliance and Corporate Governance section of our website at www.intertek.com/investors/governance.

Communication with shareholders is given a high priority and a number of means are used to promote greater understanding and dialogue with investment audiences. Our investor programme includes:

- regular individual meetings with shareholders and investment managers during the year;
- road shows in many countries;
- regular analyst briefings; and
- 'investor days' where analysts and investors are invited to visit some of our laboratories to meet our employees and observe work being performed.

In addition, Intertek has an experienced investor relations team to handle enquiries and report investor-related matters to the Board. Feedback on the Group's investor programme has been positive and Intertek has a good relationship with investors and their representatives.

During the course of the year shareholders are kept informed on the progress of the Group through reports on our financial results, and other announcements of significant developments that are released through regulatory outlets and our own website, which received a relaunch during the year. We have introduced the option of electronic communications with shareholders as a way of reducing paper-based reporting.

Our corporate social responsibility structure

Intertek has businesses in many locations around the world. Our activities are organised to permit local or functional managers to manage operations within the framework established by the Board of Intertek Group plc. We consider local managers are best placed to understand and react to their local business environment. They have the knowledge to apply policies with due regard to their relationships with local stakeholders such as employees, customers and communities.

The corporate social responsibility framework within which these activities are to be managed, was formally adopted by the Board of Intertek Group plc in 2007.

General policy

Intertek's core businesses provide services that are ultimately of benefit to consumers and other stakeholders. We test substances for purity and performance. We test products for safety and quality. We measure air and noise emissions. We review imports to assess their content accurately. We provide advice that can lead to greater efficiency of production or operation. We carry out audits to help ensure that factory conditions and work practices are legal, humane and ethical. Intertek takes seriously the benefits that our businesses confer and will continue to endeavour in all its dealings to improve quality, safety and to bring about environmental benefits through improved efficiency of products.

Environmental policy

Intertek will strive to prevent its operations causing adverse impact on the environment. We will comply with national environmental legislation and will endeavour to identify, monitor and control our environmental risks. We will seek to reduce emissions, effluents, waste and adverse effect on biodiversity. We will commit to recycling schemes and energy efficiency. We will provide benefits in respect of environmental impacts through our testing of environmental standards and will operate safely.

Ethical policy

Intertek prohibits the offer, giving or acceptance of bribes in any form. Intertek prohibits the provision of improper benefits. No reward, gift or favour dependent on the outcome of any work will be accepted by employees. Employees shall operate free from any conflict of interest.

Employee policy

Intertek will strive to provide a safe and healthy environment for its employees to work in. It will comply with national employee legislation. In the absence of any local prescription, employees will be assessed solely on the basis of their ability irrespective of their race, religion, colour, age, disabilities, gender or sexual orientation or their participation in legitimate union activities. Employees' diverse perspectives, experiences and traditions will be respected. Wherever possible, employees' personal growth will be fostered through the provision of training.

Community and stakeholder policy

Intertek will take into account, when making decisions, its impact on all relevant stakeholders.

Business practices policy

Intertek will carry out its work in an honest, professional, independent and impartial manner. Marketing will be conducted in a manner that is not misleading. Procurement from suppliers whose corporate responsibility policies align with Intertek's will be encouraged.

We have cascaded these policies through the management structure and added them to our corporate intranet to disseminate them. Employees are encouraged to supply ideas and information concerning our CSR performance by contacting us through the intranet.

Overall and ultimate responsibility for the Group's CSR policies, issues and their implementation lies with the Chief Executive Officer.

We take a responsible and active role in the business communities in which we operate. Intertek is a member of a number of CSR related associations such as CSR Europe, the Ethos Institute of Business and Social Responsibility and Canadian Business for Social Responsibility. We aim to increase our participation and membership of such bodies in the future to show our commitment to being a significant player in the corporate social responsibility arena.