



# 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 and reduction.



## Material topics

- **Environment**

Our stakeholders are increasingly concerned about the consequences of the climate crisis and are looking to us for more sustainable solutions. Intertek plays an important role in raising awareness of climate change 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 page 31.

## Our TSA standards *Continued*

### Environment

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

Intertek is committed to implementing the recommendations of the TCFD. During 2020 we conducted a review of our position against the 11 recommendations of the TCFD and established a cross-functional working group to implement the required governance and strategy for climate-related risks and opportunities, and the metrics and targets used to assess and manage these.

#### 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.

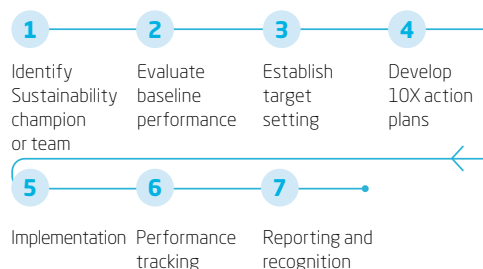
	2020 update	2021 priorities
<b>Governance</b> Our governance around climate-related risk and opportunities.	Governance for managing climate-related risks and opportunities across the Group is incorporated into our existing governance framework as shown on page 31.	Continue to enhance reporting to the Board and the Leadership Team.
<b>Strategy</b> The process used to identify, assess and manage climate-related risks.	We have identified climate-related opportunities as part of sustainability services innovations. Our Sustainability Operating Committee oversees the development of our climate-related strategy.	Identify any inherent climate-related risks with the potential to have a substantive financial or strategic impact on the business in the short, medium and long-term.  Use climate-related scenario analysis to inform our strategy.
<b>Risk management</b> The actual and potential impacts of climate-related risks and opportunities on our business, strategy and financial planning.	To analyse our Group-level climate-related risks considering countries, business lines and functions, we use our integrated risk management framework (see page 34). Environmental and climate-related risks are also tracked as part of our insurance process.	Update and expand climate risk assessments.  Investigate reporting challenges on additional Scope 3 GHG reporting.
<b>Metrics and targets</b> The metrics and targets used to assess and manage relevant climate-related risks and opportunities.	GHG metrics can be found on this page and page 41.  We are well on track to achieve our 2017 carbon intensity reduction target.	Prepare future targets.

We first set an emissions reduction target in 2017 to reduce our CO<sub>2</sub> emissions per employee by 5% year-on-year up to 2023, and we are well on track to achieve that.

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 for the best chance of avoiding the worst impacts of climate change.

#### 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.



At some of our sites, we 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.

We are exploring on-site energy generation through various projects. In addition, we will source certified

renewable energy, where possible and economic to do so.

Our UK business has transitioned 95% of utility suppliers to renewable energy.

Global energy use <sup>1</sup> by source (MWh)	2020	2019
Standard electricity	253,849	263,676
Renewable electricity	7,487	-
Vehicle fuels energy	40,146	-
Non-transport fuels energy (natural gas)	66,518	69,871

1. UK portion of total energy use was 6.8% (2019: 5.5%).

#### 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 2020, 65 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.

In 2020, we implemented emissions dashboards which allow the regional teams at our sites to understand their total carbon emissions and what is causing them, and to put in place initiatives at site level to improve their metrics and manage their own environmental impact.

## Our TSA standards *Continued*

### Environment


Our Environmental and Climate Change policy has been updated and 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.

This year we have seen a drop in our UK market-based Scope 2 emissions due to the transition to renewable electricity. As we continued to operate throughout the pandemic (with most of our operations classed as essential services) the impact of COVID-19 on emissions from Employee Commuting was limited.

We continued our efforts to expand our disclosures for material Scope 3 emissions and have disclosed Business Travel for the first time. As a result of lockdowns and travel restrictions due to COVID-19 in the second half of the reporting period, emissions disclosed are approximately half of what Intertek would normally expect.

Our annual environmental reporting cycle ran from 1 October 2019 to 30 September 2020.

 Further details on our methodology for reporting and the criteria used can be found within our Basis of Reporting, available on our website at [intertek.com/about/our-responsibility](https://www.intertek.com/about/our-responsibility)

Scope	Emissions	Tonnes CO <sub>2</sub> e <sup>1</sup>	2020	2019	
<b>Scope 1 Direct GHG emissions</b>	Emissions from activities for operations which Intertek owns or controls including the combustion of fuel and operation of facilities.	Global (excl. UK)	60,686	62,520	
		UK	2,439	2,431	
<b>Scope 2 Indirect GHG emissions</b>	Emissions from the purchase of electricity, heat and steam purchased for our use (location-based)	Global (excl. UK)	119,679	125,213	
		UK	3,188	3,480	
	Emissions from the purchase of electricity, heat and steam purchased for our use (market-based)	Global (excl. UK)	123,200	128,841	
		UK	2,151	5,329	
<b>Scope 3</b>	Employee Business Travel (Air travel only) <sup>2</sup>	Global (excl. UK)	11,289	-	
		UK	956	-	
	Employee Commuting	Global (excl. UK)	56,670	64,140 <sup>3</sup>	
		UK	2,475	2,956	
	Fuel- and Energy-Related Activities not included in Scope 1 or Scope 2	Global (excl. UK)	6,974	7,392	
		UK	271	296	
	Absolute CO <sub>2</sub> e (market-based)		267,111	273,764	
	Carbon off-setting <sup>4</sup>		267,111	-	
	<b>Intensity ratios - Scope 1, 2 and 3 emissions</b>				
	<b>Operational emissions<sup>5</sup></b>				
	CO <sub>2</sub> per employee (location-based)		4.29	4.50	
	CO <sub>2</sub> per employee (market-based)		4.34	4.62	
	CO <sub>2</sub> per £m revenue <sup>6</sup> (market-based)		71.39	-	
<b>Employee commuting</b>					
	CO <sub>2</sub> per employee commuting		1.31	1.50	
	Average number of employees during the reporting period		45,092	44,775	

1. CO<sub>2</sub>e – Carbon dioxide equivalent.

2. Please refer to our Basis of Preparation document for full details of scope. Business travel data was collected for the first time in 2020.

3. The prior year total Employee Commuting emissions were 74,332 (reported) vs. 67,096 (restated). This is a result of increased attention to detail and diligence in the collection of data.

4. Carbon off-setting 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 the FY 2020 as included in the Annual Report 2020.



## Our TSA standards *Continued*

### Environment

#### 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 75 sites to date and a further roll-out is planned to extend the programme across an additional 65 sites. 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 are currently working on improving reporting tools to tailor actions.

#### Case study

##### Asset recycling pilot

During 2020, IT identified an opportunity for a single global asset management disposal process. A pilot was carried out covering a few sites across different jurisdictions. During this pilot 82% of equipment was repurposed, with some of the repurposed equipment going onto COVID-19 front line teams. In addition, the pilot provided central visibility of disposal practices. We intend to roll this out further during 2021.

### Voluntary off-setting projects

As well as cutting our emissions, we have used carbon credits to offset our direct operational Scope 1, 2 and 3 GHG emissions, making 2020 our first carbon neutral year. We have chosen credible and verified carbon off-setting projects that provide social benefits in communities where we have an impact in addition to carbon abatement.

#### Hydropower Project, Pakistan

The project is a run-of-river hydropower scheme without any dam, new storage, displacement/ resettlement of human habitation, change in the hydrological regime or any other adverse environmental impact.

Contribution to UN SDGs:



#### Wind Power Project, India

This project involves the bundling of 396 Wind Turbine Generators sponsored by 201 individual investors with a total installed capacity of 236,050Mw. The energy produced displaces fossil fuel generated grid power or, when supply is intermittent, power supplied by diesel back-up generator sets. In addition to the Greenhouse Gas emission saving, the project generates employment through direct labour and by enabling economic development in the region.

Contribution to UN SDGs:



#### Tropical Forest Conservation Project, Brazil

The project protects tropical rainforest in the Acre region of Brazil from logging and encroaching cattle ranches, with the objective of generating net positive climate, community and biodiversity benefits.

The project fosters economic opportunities for local communities through sustainable farming and the sale of acai berries and medicinal plants, promotes environmental stewardship, and provides health services and educational courses. Combined, these activities help discourage deforestation in the wider region.

Contribution to UN SDGs:

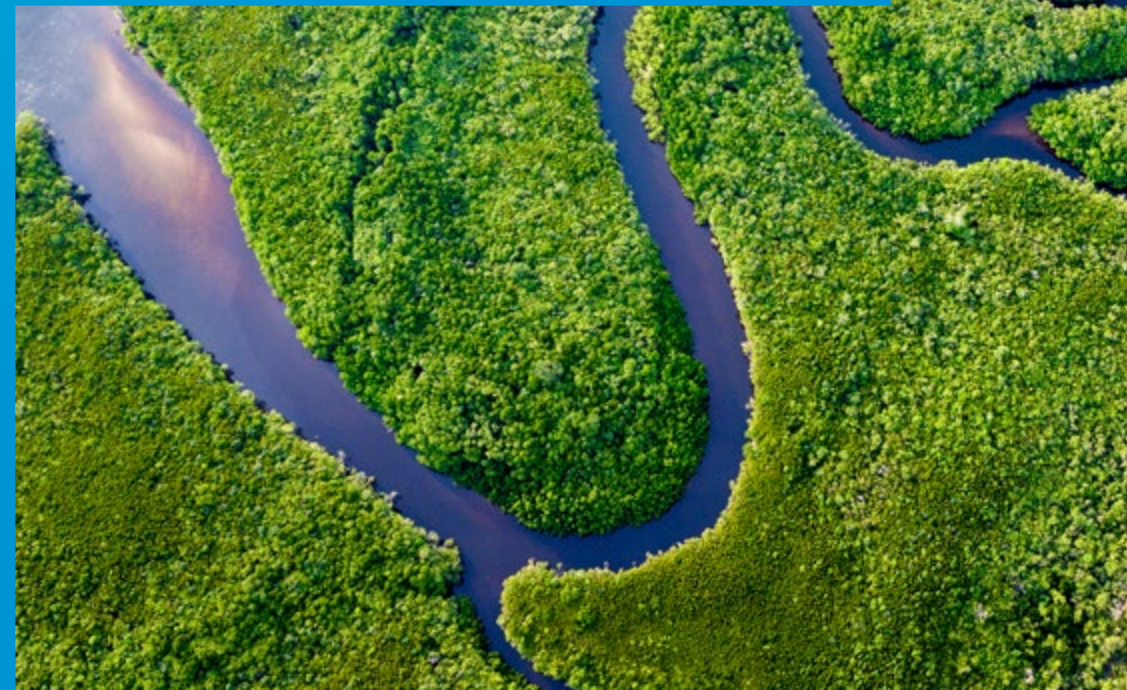


#### Landfill Gas Extraction and Electricity Generation Project, Turkey

This project captures and converts waste gas, methane, and uses it to power turbines that feed electricity into Turkey's grid.

In addition to reducing GHG emissions the project improves air quality, local groundwater and has generated local and regional employment with much of the investment spent locally.

Contribution to UN SDGs:



Our TSA standards *Continued**Environment*

## Independent Assurance Statement to Intertek Group plc Management

We have performed a limited assurance engagement on selected performance data presented on pages 35 to 37 of the Intertek Group plc ('Intertek Group') Annual Report 2020 ('the Annual Report') and pages 40 and 41 of the Intertek Group plc ('Intertek Group') Sustainability Report 2020 ('the Sustainability Report').

### Respective responsibilities

Intertek Group management is responsible for the collection and presentation of the information within the Annual Report and the Sustainability Report. Intertek Group management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Annual Report and the Sustainability Report, so that they are free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with our engagement terms with Intertek Group management, is to carry out a 'limited level' assurance engagement on the selected data ('the Subject Matter Information') outlined in the tables on pages 37 of the Annual Report and 41 of the Sustainability Report:

- Greenhouse gas emissions – scope 1;
- Greenhouse gas emissions – scope 2; and
- Greenhouse gas emissions – Scope 3
  - Fuel and energy related activities
  - Employee commuting
  - Business travel
- Greenhouse gas emissions – intensity ratio.

We do not accept or assume any responsibility for any other purpose or to any other person or

organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The Annual Report and the Sustainability Report have been evaluated against the following criteria (collectively 'the Criteria'):

### Completeness

- Whether all material data sources have been included and that boundary definitions, (outlined in pages 35 and 37 of the Annual Report and 40 and 41 of the Sustainability Report), have been appropriately interpreted and applied.

### Consistency

- Whether the Intertek Group scope and definitions, (outlined in pages 35–37 of the Annual Report and 40–41 of the Sustainability Report), for the Subject Matter Information have been consistently applied to the data.

### Accuracy

- Whether site and business-level data have been accurately collated by Intertek Group management at a Global level.
- Whether there is supporting information for the data reported by sites and businesses to Intertek Group management at a Global level.

### Summary of work performed

The procedures we performed were based on our professional judgement and included the steps outlined below:

1. Interviewed a selection of management to understand the management of greenhouse gas data within the organisation.

2. Reviewed a selection of management documentation and reporting tools including guidance documents.
3. Performed a review of the online data collection tool, including testing outputs and selected conversions made within the tool.
4. Reviewed underlying documentation for a sample of site-level data points.
5. Reviewed and challenged the validation and collation processes undertaken by Intertek Group management in relation to the Subject Matter Information.
6. Reviewed the Report for the appropriate presentation of the Subject Matter Information, including the discussion of limitations and assumptions relating to the data presented.

### Limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE3000 (Revised)) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on Intertek Group's controls for managing and reporting sustainability information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at Intertek Group beyond those used for selected data (defined as the Subject Matter Information above).

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with Intertek Group management. Our work should not be relied upon to disclose

all such material misstatements, frauds, errors or instances of non-compliance that may exist.

We have only sought evidence to support the 2020 performance data. We do not provide conclusions on any other data from prior years. We have not sought any supporting evidence for data beyond the 'Subject Matter Information' for which we are providing assurance. We have not provided assurance over claims made by Intertek that are statements of belief or forward looking in nature.

### Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information was not prepared, in all material respects, in accordance with the Criteria.

### Our independence

We have implemented measures to comply with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1<sup>1</sup>. EY's independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

Our assurance team has been drawn from our global Climate Change and Sustainability Services Practice, which undertakes engagements similar to this with a number of significant UK and international businesses.

### Ernst & Young LLP London

01 March 2021

1. Parts A and B of the IESBA Code, and the International Standard on Quality Control 1 (ISQC1)

## Our TSA standards *Continued*

### *Environment*

#### **Our global environmental activities 2020**

Our environmental mission is to provide a better quality of life today and a more environmentally responsible world tomorrow. As we operate a decentralised business model, it's our local teams who look for ways to become more environmentally efficient and reduce the impact of our operations on the environment.

#### **USA**

Green Team initiatives

The Intertek Green Team meets monthly to plan events such as 'Trash Talks' where team members join a virtual meeting while they walk through their neighbourhoods collecting trash and sharing stories. One of its proudest moments was the removal of the single-use coffee machine in the office in Austin, Texas, saving over 28,000 k-cups per year from landfill.

#### **Peru**

Employee bicycle programme

Our office in Lima has implemented the 'Intertek Safe on Wheels' programme, providing employees with bicycles and parking spaces at affordable prices, supporting our employees' health and the environment.

#### **Spain**

Raising funds with plastic waste

Our long-term partnership with waste-collection organisation SEUR not only increases recycling, it also raises funds for investment in wheelchairs and other equipment for children. Since 2011, we've collected 6,799 tonnes of caps and given families close to €1.24 million. During 2020, we've shared nearly €64,000 among 175 beneficiaries.

#### **Germany**

No more paper

Our Food Services business in Bremen has moved away from paper invoices and customer reporting to reduce waste. This involves more than 1,000 reports every day – and even more invoices.

#### **UAE**

Helping customers cut energy use

Our Business Assurance business in Abu Dhabi has significantly increased the number of customers with ISO 50001 Energy Management certification. This reflects our growing role in helping strategic clients achieve their sustainability commitments.

#### **South East Asia**

Pledging to go green

The Singapore Products group adopted a new Green policy, committing to being environmentally aware, actively support programmes that reduce our environmental impact and continually improve our environmental performance as an integral part of business strategy and operating procedures. 76 employees pledged their support and have started to implement initiatives to drive a green office.

#### **China**

Creating a recycling culture

Intertek Hong Kong is promoting recycling at the office all through the year. We continued our strong partnership with local organisation VCycle. We also extended the recycling programme to our client English School Foundations, where junior schools are also adopting the recycling culture with the children.

#### **South East Asia**

Employees lead energy savings

The region launched a Save Energy programme in 2020 with various sites taking part to support and promote sustainable energy consumption within our operations. Actions taken by staff led to energy savings of 1.1 million kWh for 2020 compared to 2019.

#### **Australasia**

Reducing waste across a continent

Digital documentation is reducing or eliminating the need for printing across many operations, including our Asbestos division and our labs and offices across New Zealand and the Pacific Islands. In addition, our New Plymouth operation is using biodegradable bin liners to reduce the impact of plastic.