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BASIS OF REPORTING – GHG EMISSIONS

Introduction

This document sets out the principles, methodologies, and assumptions used by Intertek Group plc ("Intertek") in the preparation and reporting of its Greenhouse Gas (GHG) emissions data. This data is publicly reported to demonstrate progress against our reduction targets.

Organizational boundaries

For our Group GHG reporting, we have set organizational boundaries based on the financial control approach, as defined by the Greenhouse Gas Protocol.

Intertek has more than 43,500 employees in 1,000 laboratory and office locations in over 100 countries. The services we provide include assurance, testing, inspection and certification, and our businesses and operations fall under three global divisions: Products, Trade, and Resources. The majority of our services are carried out in our laboratories and offices, though our inspectors and auditors carry out field work at client sites or other sites in our clients' supply chains.

Client sites are locations, which Intertek does not own or lease and does not pay for utilities. Client sites are added to the reporting structure for any possible scope 3 impact activities only.

Although the Intertek group is managed through a divisional structure of global businesses, our most material geographic footprint is in China (including Hong Kong), the United Kingdom, and the United States.

Group GHG Emissions information is presented in the Intertek Sustainability Report, available on the Intertek Group "Our Responsibility" website https://www.intertek.com/about/our-responsibility/, and in this document.

The reporting period for environmental data is from 01 October 2019 to 30 September 2020 ("EY20").

Key metrics and definitions

Emissions are reported in the Annual Report in line with the GHG Protocol classifications as follows:

- **Scope 1 emissions**, direct emissions from owned or controlled sources:
  - Stationary Combustion / Facility Heating
  - Mobile Combustion / Owned Vehicle Fleet
  - Fugitive Emissions / Process Cooling & Refrigeration
- **Scope 2 emissions**, indirect emissions from the generation of purchased energy:
  - Purchased & Used Electricity / Facility Electricity Supply
  - Purchased Heat & Steam / Facility Heating
- **Scope 3 emissions**, other indirect emissions that occur in the value chain:
  - Employee Business Travel
  - Employee Commuting
  - Transmission Losses

All output types have been converted into CO_2 tonnes (tCO_2e)

Summary of the key metrics and definitions

METRIC	DEFINITION AND SCOPE
Scope 1	
Stationary Combustion	Natural gas used in facility heating
Mobile Combustion	Fuels used in owned vehicle fleet powered by internal combustion engine (Diesel, Petrol, LPG)
Fugitive Emissions	Process cooling and refrigerants used in testing
Scope 2	
Purchased & Used Electricity	**Location-based** – Emissions from electricity consumption reflecting the average emission intensity of local grid mix **Market-based** – Emissions from electricity consumption reflecting supplier-specific (where relevant) and residual mix country factors
Purchased Heat & Steam	Emissions from purchased heat and steam, or what others burn on our behalf to generate energy for us
Scope 3	
Employee Business Travel - Air	Emissions associated with employee air travel
Employee Commuting	Emissions generated by employee commuting relevant to the employee population who are based in Intertek offices and laboratories. Excludes employees classified as "work from home" and employees delivering Assurance and Inspection services who are neither based at an Intertek office nor classed as working from home.
Transmission Losses	Transmission and distribution losses that happen during the transmission of electricity from the energy company to our facilities.
Outside of Scopes	
Biomass	Emissions from stationary combustion sources that burn biomass (non-fossil) fuels (e.g., forestry-derived, agriculture-derived, biomass-derived gases).
Fugitive Emissions	Refrigerants used for cooling buildings are considered immaterial and are therefore excluded from reporting.
Other terms	
GHG Intensity	Greenhouse Gas intensity per person and tCO2e per £1m of revenue
Targets	Targets are expressed as reduction in intensity (both per person and per £1m revenue) as well as in absolute terms.
Employees	Intensity ratios are based on the average number of employees during the reporting period.

Methodology and approach

Our Global Sustainability Environmental software platform, used to monitor and track our global GHG emissions, allows us to diligently collate the data at site level and roll up reporting packs to both the business line and country levels. Site level data is uploaded every month by over 130 superusers. Data is collected from invoices, meter readings, and statements from utility providers. Business air travel data is sourced from travel business partners. Employee commuting data is collected through an annual employee commuting survey.

Extrapolations

In instances where a Greenhous Gas Emission is known to occur, but data is not available, we use extrapolations to add data to sites. Extrapolations are applied centrally and are based on floorspace, and in rare situations Intertek may rely solely on average floorspace based on headcount. We use the below data acquisition hierarchy in line with the GHG Protocol:

- Real data acquired via supplier invoice, meter reading or landlord.
- If real data is not available, an extrapolation is applied to the activity name and estimations based on CEBECS rates are applied based on floorspace.
- In rare situations where floorspace is unknown, average floorspace per headcount ratio is used. Intertek should keep this option to a minimum and clearly mark when estimated floorspace is used.

The extrapolation used by Intertek for EY20 are below the materiality threshold of 5% of the total of activities.

Emission factors

Emission factors are applied to the data collected in the Intertek Global Sustainability Environmental software platform. Reported emission factors are location-based, market based, or residual mix as applicable. The emission factors are sourced from the relevant government department in each country, including UK DEFRA and the US Environmental Protection Agency (US EPA). 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."

Validation procedures

Sites are responsible for their own validation and integrity procedures over the data submitted monthly as part of reporting. Periodic data validation and quality assurance are performed at the group level, including data integrity, reported activity, and invoice checks. This also includes trend analysis, comparison with prior year data, and sample testing over material consumptions. At the end of the reporting period, the emissions factors applied in the central GHG database are verified against the published applicable standards. Finally, a third party performs a limited assurance audit of the GHG emissions data.

Materiality assessment

All emission sources are assessed periodically to determine whether the omission of smaller sources has a material impact the reported emissions. Scope 3 emissions are the aggregate of a range of consumption

sources which often do not have sufficient data management and reporting practices surrounding them in place. Materiality assessment over scope 3 emission sources will be performed on a periodic basis to ensure that all material emission data streams are included within the scope of reporting. Currently out of scope emissions, including Biomass and Fugitive Emissions, are monitored and if deemed material will be included in future reporting.

	2020	2019
Biomass	1,080	322
Fugitive Emissions	2,823	2,140

Restatements

In instances where data quality and accuracy can be improved retrospectively and the change is deemed material, Intertek will include the updated figures in subsequent annual reporting. A material misstatement is deemed to be that returning a variance of greater than or equal to 5%. The restatement will be accompanied with an explanation as to why the data quality has improved (such as system change, updated emission factors etc.).