

## BASIS OF REPORTING – ENVIRONMENTAL DATA

### Introduction

This document sets out Intertek Group plc's ("Intertek") reporting principles, methodologies, and assumptions which underpin our commitment to disclose our environmental data performance, in the Sustainability section of Intertek's Annual Report & Accounts 2023 ("ARA23").

The reporting period for environmental data is from 1 October 2022 to 30 September 2023 ("EY23").

### Reporting boundaries

Intertek has around 44,000 employees in over 900 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 five divisions: Consumer Products, Corporate Assurance, Health and Safety, Industry and Infrastructure, and World of Energy. The majority of our services are carried out in our laboratories and offices, though our inspectors and auditors perform field work at client sites or other sites in our clients' supply chains.

For our Group greenhouse gas (GHG) emissions reporting, we have set organisational boundaries based on the financial control approach, as defined by the Greenhouse Gas Protocol. Our reporting includes all main sources of emissions from our laboratories and offices. We do not report on a legal entity basis.

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 our Greater China region, the United Kingdom, and the United States.

### Methodology

Intertek's GHG emissions reporting complies with the methodologies outlined by the GHG Protocol 'Corporate Accounting and Reporting Standards', ISO 140064-1 and the UK Government's 'Environmental Reporting Guidelines: including mandatory Greenhouse Gas emissions reporting guidance'.

### Data collection

Our global environmental sustainability software is used to gather data to report our GHG emissions. Site- and country-level data is collected monthly by over 120 superusers.

This centralised approach allows Intertek to consolidate data, roll up reporting packs, and track progress towards reduction targets at site-, country-, and business line-level.

- **Data collection hierarchy:**

- ❖ Real data is collected from invoices, meter readings, statements from utility providers, landlords, business travel service agents or through an annual employee commuting survey.
- ❖ If real data is not available, an estimation based on extrapolated data is applied centrally.





## Unavailable data

Where a greenhouse gas emission is known to occur, but input information is unavailable, we use extrapolations to assign data to sites.

- **Scope 1 & 2 extrapolations**

- ❖ If real data is not available, an extrapolation is applied to the specific site activity where estimations based on CEBECS rates are applied based on floorspace.
- ❖ In rare situations where floorspace is unknown, an average floorspace per headcount ratio is used. We keep this option to a minimum and clearly mark when estimated floorspace is used.

Extrapolations used by Intertek for EY23 are below the materiality threshold of 5% of the total scope 1 & 2 emissions.

- **Scope 3 extrapolations**

- ❖ Where Employee Business Travel data is unavailable at country level, the average CO<sub>2</sub> emissions per employee for that geographical region are extrapolated by using the actual headcount of that country.
- ❖ Any data not collected through the Employee Commuting Survey is scaled up at country level based on headcount and average CO<sub>2</sub> emissions per employee.

## Validation procedures

Sites and regional Finance teams 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 consumption. 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 on 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.

	2023	2022
Biomass	582	549
Fugitive Emissions	674	761

\*tCO<sub>2</sub>e



## Emission factors

Emission factors (EFs) are applied to the data collected in the global environmental sustainability software. EFs are location-based, market-based, residual mix or supplier specific as applicable. The EFs are sourced from the relevant government departments, including UK DEFRA, AIB Residual Mix, the International Energy Agency (IEA) and the US Environmental Protection Agency (US EPA).

## Restatements of historical data

We have set a materiality threshold of 5% at Group level which will trigger recalculations of historical data. Any data restatements will be accompanied with the appropriate explanations.

No restatement will be applied to variations due to organic growth or decline.

- **Group baseline restatement**

Significant changes in company structure and activities are assessed on an annual basis. If a net material change is identified, the activity data might be restated for all relevant historical years including the base year. Our baseline is EY19, this has been determined based on the work done to set science-based carbon reduction targets which were approved by the Science Based Targets Initiative (SBTi).

- **Acquisitions and site closures**

Acquired or new sites are incorporated into the GHG reporting on the date when the acquisition takes place. Where we have sites that are closing, data will be included until such time. Historical performance data and materiality is evaluated for the acquired/divested site.

- **Changes in methodology or improved data quality**

In instances where data quality and accuracy can be improved retrospectively and the change is deemed material, Intertek will include the updated historical figures in subsequent annual reporting.

## Key metrics and definitions

Emissions are reported in the ARA23 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
  - Fuel- and energy-related activities not included in scope 1 or scope 2 (Activity C: Transmission and distribution (T&D) losses)

All output types have been converted into tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).



## Summary of the key metrics and definitions

METRIC	DEFINITION AND SCOPE
<b>Scope 1</b>	
Stationary Combustion	Natural gas used in facility heating and fuels used in testing
Mobile Combustion	Fuels used in owned or leased vehicle fleet powered by internal combustion engine (Diesel, Petrol, LPG)
Fugitive Emissions	Process cooling and refrigerants used in testing
<b>Scope 2</b>	
Purchased & Used Electricity	<p><b>Location-based</b> – Emissions from electricity consumption reflecting the average emission intensity of local grid mix.</p> <p><b>Market-based</b> – Emissions from electricity consumption reflecting supplier-specific (where relevant) and residual mix country factors.</p>
Purchased Heat & Steam	Emissions from purchased heat and steam, or what others burn on our behalf to generate energy for us.
<b>Scope 3*</b>	
Employee Business Travel - Air	Emissions associated with air travel relevant to employees and contractors working on behalf of Intertek, whose expenses are covered by Intertek.
Employee Commuting	Emissions generated by employee commuting relevant to the employee population who are based in Intertek offices and laboratories.
Fuel- and energy-related activities not included in scope 1 or scope 2	<b>Activity C: Transmission and distribution (T&amp;D) losses</b> – Transmission and distribution (T&D) losses that happen during the transmission of electricity, steam, heating, and cooling from the energy provider to our facilities.
*Indirect emissions associated with the extraction, production and transportation of fuels consumed by Intertek, also known as the well-to-tank (WTT) emissions, are excluded from our Scope 3 data.	
<b>Outside of Scopes</b>	
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.
<b>Other terms</b>	
GHG Intensity	Greenhouse gas intensity per person and tCO <sub>2</sub> e per £1m of revenue.
Targets	Near-term targets approved by the SBTi.
Employees	Headcount data during the reporting period is used for intensity ratios and extrapolations.