

INTERTEK GROUP PLC
(the 'Company')

18 March 2022

ANNUAL REPORT AND ACCOUNTS 2021 AND NOTICE OF 2022 ANNUAL GENERAL MEETING

In accordance with Listing Rule 9.6.1R and Disclosure Guidance and Transparency Rule ('DTR') 4.1.3R, the Company announces that the following documents have been posted to shareholders and submitted to the UK Listing Authority via the National Storage Mechanism:

- Intertek Group plc 2021 Annual Report and Accounts;
- Notice of 2022 Annual General Meeting; and
- Proxy Form for the 2022 Annual General Meeting.

The above mentioned documents (except for the Proxy Form) are available on our website at www.intertek.com and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. The 2022 Annual General Meeting is due to be held on Wednesday, 25 May 2022 at 9.00 a.m. in the Marlborough Theatre, No. 11 Cavendish Square, London W1G 0AN.

In compliance with DTR 6.3.5R, the information contained in the Appendix below is extracted from the 2021 Annual Report and Accounts and should be read in conjunction with the Company's 2021 Full Year Results Announcement for the year ended 31 December 2021 issued on 1 March 2022. Both documents are available at www.intertek.com and together constitute the material required by DTR 6.3.5R to be communicated to the media in unedited full text through a Regulatory Information Service. This material is not a substitute for reading the 2021 Annual Report and Accounts in full. Page numbers and cross references in the extracted information refer to page numbers and cross references in the 2021 Annual Report and Accounts.

Appendix

1. PRINCIPAL RISKS AND UNCERTAINTIES

This section sets out a description of the principal risks and uncertainties that could have a material adverse effect on the Group's strategy, performance, results, financial condition and reputation.

Risk framework

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. This work is complemented by the Group Risk Committee, whose purpose is to manage, assess and promote the continuous improvement of the Group's risk management, controls and assurance systems.

This risk governance framework is described in more detail in the Directors' report on pages 98 to 166.

The Group Audit Director and the Group General Counsel, who report to the Chief Financial Officer and Chief Executive Officer respectively, have accountability for reporting the key risks that the Group faces, the controls and assurance processes in place and any mitigating actions or controls. Both roles report to the Audit Committee, attend its meetings and meet with individual members each year as required.

Risks are formally identified and recorded in a risk register which is owned by each of the Group's divisional, regional and functional risk committees. Risk registers are updated throughout the year by these risk committees and are used to plan the Group's internal audit and risk strategy.

In addition to the risk registers, all senior executives and their direct reports are required to complete an annual return to confirm that management controls have been effectively applied during the year. The return covers Sales, Operations, IT, Finance and People.

Principal risks

The Group is affected by a number of risk factors, some of which, including macroeconomic and industry-specific cyclical risks, are largely outside the Group's control. Some risks are particular to Intertek's operations.

The principal risks of which the Group is aware are detailed on the following pages, including a commentary on how the Group mitigates these risks. These risks and uncertainties do not appear in any particular order of potential materiality or probability of occurrence.

There may be other risks that are currently unknown or regarded as immaterial which could turn out to be material. Any of these risks could have the potential to impact the performance of the Group, its assets, liquidity, capital resources and its reputation.

Changes to principal risks

Our principal risks continue to evolve in response to our changing risk environment.

This year, based on our current assessment of its materiality, we have included three new principal risks: macro-economic risk, reflecting an increase in global economic and fiscal uncertainty caused by Covid-19; contracting risk, reflecting an increased focus on customer contract terms and supplier resilience; and sustainability risk, which is the risk of extreme weather events having an impact on our and our customers' operations. We have also removed third-party relations as we no longer believe this is a principal risk to the Group.

Operational			
Principal risk	Possible impact	Mitigation	2021 update
<p>Reputation Reputation is key to the Group maintaining and growing its business. Reputation risk can occur in a number of ways: directly as the result of the actions of the Group or a Group company itself; indirectly due to the actions of an employee or employees; or through the actions of other parties, such as joint venture partners, suppliers, customers or other industry participants.</p>	<ul style="list-style-type: none"> • Failure to meet financial performance expectations. • Exposure to material legal claims, associated costs and wasted management time. • Destruction of shareholder value. • Loss of existing or new business. • Loss of key staff. 	<ul style="list-style-type: none"> • Quality Management Systems; adherence to these is regularly audited and reviewed by external parties, including accreditation bodies. • Risk Management Framework and associated controls and assurance processes, including contractual review and liability caps where appropriate. • Code of Ethics which is communicated to all staff, who undergo regular training. • Zero-tolerance approach with regard to any inappropriate behaviour by any individual employed by the Group, or acting on the Group's behalf. • Whistleblowing programme, monitored by the Audit Committee, where staff are encouraged to report, without risk, any fraudulent or other activity likely to adversely affect the reputation of the Group. • Relationship management and communication with external stakeholders. 	<p>This risk remains stable compared with 2020. The Group continues to invest in staff development, quality systems and standard processes to prevent operational failures.</p>
<p>Customer service A failure to focus on customer needs, to provide customer innovation or to deliver our services in accordance with our customers' expectations and our customer promise.</p>	<ul style="list-style-type: none"> • May lead to customer dissatisfaction and customer loss. • Gradual erosion of market share and reputation if competitors are perceived to have better, more responsive or more consistent service offerings. 	<ul style="list-style-type: none"> • Net Promoter Score ('NPS') customer satisfaction, customer sales trends and turnaround time tracking. • Global and Local Key Account Management ('GKAM'/'LKAM') initiatives in place. • Customer feedback meetings. • Customer claims/complaints reporting. 	<p>This risk remains stable compared with 2020.</p>

<p>People retention The Group operates in specialised sectors and needs to attract and retain employees with relevant experience and knowledge in order to take advantage of all growth opportunities.</p>	<ul style="list-style-type: none"> • Poor management succession. • Lack of continuity. • Failure to optimise growth. • Impact on quality, reputation and customer confidence. • Loss of talent to competitors and lost market share. 	<ul style="list-style-type: none"> • HR strategy policies and systems. • Development and reward programme to retain and motivate employees. • Succession planning to ensure effective continuation of leadership and expertise. 	<p>This risk remains stable compared with 2020.</p>
<p>Macro-Economic Macro-economic factors such as a global/market downturn, inflation, supply chain and logistics restrictions, materials shortages, and contraction/changing requirements in certain sectors.</p>	<ul style="list-style-type: none"> • Impact on revenue. • Falling market share. • Shrinking customer base. • Impact on share price. 	<ul style="list-style-type: none"> • We continue to focus on developing business in new markets and for new customers. • We continue to focus on innovations in our service offerings. • We continue to monitor trends and customer pipelines. • We conduct regular strategic and business line reviews, including budget forecasting. • We continue to monitor the impacts of external risk factors, and have access to data and analysis from our external advisers. 	<p>This is a new risk for 2021.</p>
<p>Health, safety and wellbeing Any health and safety incident arising from our activities. This could result in injury to Intertek's employees, subcontractors, customers and/or any other stakeholders affected. Wellbeing impacts on our people resulting from the Covid-19 pandemic and other similar events.</p>	<ul style="list-style-type: none"> • Individual or multiple injuries to employees and others. • Litigation or legal/regulatory enforcement action (including prosecution) leading to reputational damage. • Loss of accreditation. • Erosion of customer confidence. • Wellbeing – individual or multiple instances of stress-related issues and/or illnesses, absenteeism, and related impacts on morale. 	<ul style="list-style-type: none"> • Quality management and associated controls, including safety training, appropriate PPE (Personal Protective Equipment), Health & Safety policies (including due diligence on sub-contractors), meetings and communication. • Avoiding fatalities, accidents and hazardous situations is paramount. It is expected that Intertek employees will operate to the highest standards of health and safety at all times and there are controls in place to reduce incidents. • Business continuity planning. • Employee wellbeing programme. 	<p>This risk remains stable compared with 2020.</p>
<p>Industry and competitive landscape A failure to identify, manage and take advantage of emerging and future risks. Examples include the opportunities provided by new markets and customers, a failure to innovate in terms of</p>	<ul style="list-style-type: none"> • Failure to maximise revenue opportunities. • Failure to take advantage of new opportunities. • Lack of ability to respond flexibly. • Erosion of market share. • Impact on share price. • Sanctions and fines for non-compliance with new laws, etc. 	<ul style="list-style-type: none"> • GKAM and LKAM initiatives in place. • Diversification of customer base. • Focus on new services and acquisitions. • Tracking new laws and regulations. • Regular strategic and business line reviews. • Development of ATIC-selling initiatives. 	<p>This risk remains stable compared with 2020.</p> <p>The Group continues to invest in innovation and to adapt our service delivery to meet our clients changing needs.</p>

<p>service offering and delivery, the challenge of radically new and different business models; the failure to foresee the impact of, or adequately respond to and comply with, changing or new laws and regulations; a failure to anticipate and address the operational, strategic, regulatory and reputational impact of climate change and environmental factors; and a failure to identify and take advantage of the impact of post-Brexit changes to our clients' operations and supply chains.</p>		<ul style="list-style-type: none"> • NPS customer research to understand customer satisfaction. • Using innovation to respond to the Covid-19 pandemic. 	
<p>IT systems and data security Systems integrity: major IT systems integrity issue, or data security breach, either due to internal or external factors such as deliberate interference or power shortages/cuts, etc. Systems functionality: a failure to define the right IT strategies, maintain existing IT systems or implement new IT systems with the required functionality and which are fit for purpose, in each case to support the Group's growth, innovation and competitive customer offering. Data security: a failure to adequately protect the Group's confidential information, customer confidential information or the personal data of the Group's employees, customers or other stakeholders.</p>	<ul style="list-style-type: none"> • Loss of revenue due to down time. • Potential loss of sensitive data with associated legal implications, including regulatory sanctions and potential fines. • Potential costs of IT systems' replacement and repair. • Loss of customer confidence. • Damage to reputation. • Loss of revenue/profitability if we fail to adopt an IT investment strategy which supports the Group's growth, innovation and customer offering. 	<ul style="list-style-type: none"> • Information systems policy and governance structure. • Regular system maintenance. • Backup systems in place. • Disaster recovery plans that are constantly tested and improved to minimise the impact if a failure does occur. • Global Information Security policies in place (IT, Data Protection, CyberSecurity). • Adherence to IT finance systems controls (part of Core Mandatory Controls ('CMCs')). • Adherence to IT general controls. • Internal and external audit testing. • Processes to ensure compliance with GDPR. 	<p>This risk remains stable compared with 2020.</p>
<p>COVID-19 The risk caused by the ongoing coronavirus</p>	<ul style="list-style-type: none"> • There is a health and safety risk to our people who come into contact with confirmed cases. 	<ul style="list-style-type: none"> • We are closely monitoring our people's health, safety and security and relevant regulatory requirements. 	<p>We believe this risk remains similar to the prior year. Although global vaccination programmes and other factors (such as rapid</p>

<p>pandemic. The virus is a potential risk to: (1) the health and safety of our people; (2) the ability of our and our customers' businesses to operate normally; and (3) global supply chains and the flow of goods and services.</p>	<ul style="list-style-type: none"> • In affected areas, there is a risk that the ability of our people to work as normal is impacted by mandatory health and safety restrictions, including quarantine and travel restrictions in certain cases. • There is a risk that the ability of our people to perform field-based work (audits and inspections) continues to be affected by control and prevention measures that we and our clients are taking, or are subject to. • In affected areas, there is risk of disruption to our normal operations both as a consequence of the issues faced by our people and of the impact to our clients' operations and production levels. • There is a risk that an ongoing situation could continue to disrupt global supply chains, which could lead to a need to refocus our service offering or delivery locations to align optimally with customer requirements and to remain competitive. • There is a risk that our 2022 performance will be affected by the disruption to the supply chains of our clients and any impact it may have on global trade activities. 	<ul style="list-style-type: none"> • We have implemented, and continually revise, the Group's Covid-19 Health and Safety Policy, which covers extensive hygiene control and prevention measures for our office and field-based people. • We have made changes to operational procedures to redirect work to Intertek facilities in unaffected locations. • We are engaging closely with our customers to support their needs. • We have working groups at the Group, regional and local levels to monitor the situation and put appropriate mitigation action and continuity plans in place. • We have implemented a remote inspection approach to ensure compliance with the Covid-19 Health and Safety Policy across all of our sites. 	<p>mass testing and improved treatments and therapies) have reduced this risk during 2021, there remains significant uncertainty over new variants and the potential for ongoing government restrictions.</p> <p>We continue to work closely with our clients to prioritise the health and safety of our and their people and to maximise business continuity.</p>
<p>Contracting Agreeing unfavourable terms with customers and/or suppliers as a result of not following agreed contract review processes, and/or failing to negotiate appropriate terms.</p>	<ul style="list-style-type: none"> • Margin decreative work. • Onerous liabilities and exposures. • Non-optimised pricing. • Financial exposures due to claims and litigation. 	<ul style="list-style-type: none"> • Any deviations from our standard contract terms are subject to legal review and approval, and all contracts must be approved in line with our Authorities Grid (which sets out approval limits based on contract values and other relevant factors). • We continue to operate our claims notification procedure, including claims management and insurer liaison where needed. 	<p>This is a new risk for 2021.</p>

		<ul style="list-style-type: none"> Both our contracting and claims processes are supported by training programmes for relevant staff, and the use of relevant systems and databases. 	
Legal and Regulatory			
<p>Regulatory and political landscape A failure to identify and respond appropriately to a change in law and/or regulation, or to a political decision, event or condition which could impact demand for the Group's services or the Group's ability to grow, innovate and/or provide a competitive customer offering in any existing or new industry sector or market.</p>	<ul style="list-style-type: none"> Loss of revenue, profitability and/or market share. Increase to costs of operations, reduction in profitability. Reduction in the attractiveness of investment in specific business, sectors or markets and/or adverse change in the competitive landscape. 	<ul style="list-style-type: none"> Monitoring of regulatory environment and political developments. Analysis of impact of regulatory and political changes on operational SOPs and Group policies. Membership of relevant associations, e.g. TIC Council with related advocacy and liaison activities including in relation to developing climate-related or environmental regulations. 	This risk remains stable compared with 2020.
<p>Business ethics Non-compliance with Intertek's Code of Ethics ('the Code') and/or related laws such as anti-bribery, anti-money laundering, and fair competition legislation. Non-compliance could be either accidental or deliberate, and committed either by our people or sub-contractors who must also abide by the Code.</p>	<ul style="list-style-type: none"> Litigation, including significant fines and debarment from certain territories/activities. Reputational damage. Loss of accreditation. Erosion of customer confidence. Impact on share price. 	<ul style="list-style-type: none"> Annual Code of Ethics training and sign-off requirement. Whistleblowing programme, monitored by the Group Risk Committee, where staff are encouraged to report, without risk, any fraudulent or other activity likely to adversely affect the reputation of the Group. Enhanced processes for engagement with suppliers and third parties. Zero-tolerance approach with regard to any inappropriate behaviour by any individual employed by the Group, or acting on the Group's behalf. The Group employs local people in each country who are aware of local legal and regulatory requirements. There are also extensive internal compliance and audit systems to facilitate compliance. Expert advice is taken in areas where regulations are uncertain. The Group continues to dedicate resources to ensure compliance with the UK Bribery Act and all other anti-bribery legislation, and internal policy. 	<p>This risk remains stable compared with 2020.</p> <p>Ongoing annual confirmations ensure that staff verify compliance with the Code.</p> <p>Local compliance officers perform due diligence on sub-contractors to check that they have signed the Group's Code.</p> <p>During 2021, 112 (2020: 99) non-compliance issues were reported through the whistleblowing hotline and other routes. All were investigated, with 19 (2020: 27) substantiated and corrective action taken.</p>
<p>Sustainability The risk of extreme weather events leading to business interruption.</p>	<ul style="list-style-type: none"> Impact on business continuity due to facilities being damaged or inaccessible. 	<ul style="list-style-type: none"> All our locations are required to maintain robust business continuity plans. 	This is a new risk for 2021.

	<ul style="list-style-type: none"> • Impact on health, safety and wellbeing of our people. • Delays in turnaround time. • Customer relationship impacts. • Increased costs. • Logistical challenges due to redirection of work. • Impact on revenue and margin. 	<ul style="list-style-type: none"> • Net Promoter Score ('NPS') customer satisfaction, customer sales trends and turnaround time tracking. • We maintain up-to-date asset registers and values alongside our Group Insurance programme. • We have an established crisis management procedure. 	
Financial			
<p>Financial risk Risk of theft, fraud or financial misstatement by employees. On acquisitions or investments, the financial risk or exposure arising from due diligence, integration or performance delivery failures.</p>	<ul style="list-style-type: none"> • Financial losses with a direct impact on the bottom line. • Large-scale losses can affect financial results. • Potential legal proceedings leading to costs and/or management time. • Corresponding loss of value and reputation could result in funding being withdrawn or provided at higher interest rates. • Possible adverse publicity. 	<ul style="list-style-type: none"> • The Group has financial, management and systems controls in place to ensure that the Group's assets are protected from major financial risks. • Adherence to Authorities Grid (which sets approval limits for financial transactions). • Stringent controls on working capital and cash collection. • Legal, financial and other due diligence on M&A and other investments. • Monitoring adherence to our CMCs and tracking of remediations by our compliance and finance controls teams and using our framework of risk committees. • A detailed system of financial reporting is in place to ensure that monthly financial results are thoroughly reviewed. The Group also operates a rigorous programme of internal audits and management reviews. Independent external auditors review the Group's half year results and audit the Group's annual financial statements. 	<p>This risk remains stable compared with 2020.</p> <p>We continue to review and update the CMCs on an annual basis and use them for year-end compliance certification.</p>

2. Related Parties

Identity of related parties

The Group has a related party relationship with its key management. Transactions between the Company and its subsidiaries and between subsidiaries have been eliminated on consolidation and are not discussed in this note.

Transactions with key management personnel

Key management personnel compensation, including the Group's Directors, is shown in the table below:

	2021 £m	2020 £m

Short-term benefits	9.7	11.6
Post-employment benefits	0.8	0.8
Equity-settled transactions	7.7	10.4
Total	18.2	22.8

More detailed information concerning Directors' remuneration, shareholdings, pension entitlements and other long-term incentive plans is shown in the audited part of the Remuneration report. Apart from the above, no member of key management had a personal interest in any business transactions of the Group.

3. Statement of Directors' responsibilities

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report & Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

The Directors' Report comprising pages 98 to 166 and the Group Strategic report comprising pages 1 to 61 have been approved by the Board and signed on its behalf by the Chief Executive Officer.

The Company's 2021 Annual Report and Accounts will be delivered to the Registrar of Companies in due course and copies of all of these documents may also be obtained from:

Fiona Evans

Group Company Secretary
Intertek Group plc
33 Cavendish Square
London
W1G 0PS

Registered Number: 4267576

Telephone: +44 (0)20 7396 3400

Contacts

For further information, please contact:

Denis Moreau, Investor Relations

Telephone: +44 (0) 20 7396 3415 investor@intertek.com

Ed Bridges, FTI Consulting

Telephone: +44 (0) 20 3727 1000 scintertek@fticonsulting.com

intertek

Total Quality. Assured.

Intertek is a leading Total Quality Assurance provider to industries worldwide.

Our network of more than 1,000 laboratories and offices in more than 100 countries, delivers innovative and bespoke Assurance, Testing, Inspection and Certification solutions for our customers' operations and supply chains.

Intertek Total Quality Assurance expertise, delivered consistently, with precision, pace and passion, enabling our customers to power ahead safely.

[intertek.com](https://www.intertek.com)