0704;20240705144459

Årsredovisning för

Testing Holdings Sweden Aktiebolag

556533-1963

Räkenskapsåret
2023-01-01 - 2023-12-31

Innehållsförteckning: **Sida**

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Fastställelseintyg

Undertecknad styrelseledamot i Testing Holdings Sweden Aktiebolag intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2024-06-26. Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Stockholm 2024-06-26

Johan Robertson
Styrelseledamot

Förvaltningsberättelse

Styrelsen för Testing Holdings Sweden Aktiebolag, 556533-1963, med säte i Stockholm, får härmed avge årsredovisning för räkenskapsåret 2023-01-01 - 2023-12-31.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inget annat särskilt anges, redovisas alla belopp i tusentals kronor (tkr). Uppgifter inom parantes avser föregående år.

Allmänt om verksamheten

Testing Holdings Sweden AB är ett moderbolag i en svensk koncern, verksamt inom områdena produktprovning, produktcertifiering, tredjepartscertifiering av ledningssystem samt certifiering av medicintekniska produkter. Bolagets verksamhet är att äga och förvalta dotterbolagen.

Företaget har sitt säte i Stockholm.

Ägarförhållanden

Bolaget är helägt dotterbolag till Intertek Group Plc.

Flerårsöversikt

				Belopp i Tkr
	2023	*2022*	*2021*	*2020*
Resultat efter fin poster	-12 946	-6 807	-6 403	-8 933
Rörelsemarginal %	neg	neg	neg	neg
Avkastning på eget kapital %	-14	-9	-9	-12
Balansomslutning	360 636	327 079	327 079	327 079
Soliditet %	26	24	21	23

Definitioner: se not 8

Väsentliga händelser under räkenskapsåret

Inga väsentliga händelser har skett under räkenskapsåret.

Förväntad framtida utveckling samt risker och osäkerthetsfaktorer

Bolagets och dotterbolagens verksamhet påverkas och utsätts för olika typer av risker. Marknadsrisker, operativa risker och finansiella risker. Marknadsriskerna innefattar till exempel konjunkturpåverkan, förändringar i modetrender, säsongsvariationer och rådande konkurrenssituation. De operativa riskerna är bland annat ökade försäljnings- och distributionskostnader, förändringar i samarbetsavtal med kunder och uppdragsgivare samt risker relaterade till nyetableringar, nedläggningar samt myndighetsbeslut och lagändringar. De finansiella riskerna omfattar framförallt valuta-, ränte- ooh kreditrisker.

Förslag till disposition av företagets vinst eller förlust

Styrelsen föreslår att fritt eget kapital, kronor 68 573 941, disponeras enligt följande:

	Belopp i kr
Balanseras i ny räkning	68 573 941
Summa	**68 573 941**

Vad beträffar resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande noter

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Resultaträkning

Belopp i Tkr	*Not*	*2023-01-01-2023-12-31*	*2022-01-01-2022-12-31*
Rörelsens kostnader			
Övriga externa kostnader		-397	-63
Rörelseresultat		-397	-63
Resultat från finansiella poster			
Räntekostnader och liknande resultatposter	2	-12 549	-6 744
Resultat efter finansiella poster		-12 946	-6 807
Mottagna koncernbidrag		33 556	-
Resultat före skatt		20 610	-6 807
Skatt på årets resultat		-4 689	14 872
Årets resultat		**15 921**	**8 065**

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Balansräkning

Belopp i Tkr	*Not*	*2023-12-31*	*2022-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	*3*	327 079	327 079
		327 079	327 079
Summa anläggningstillgångar		327 079	327 079
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		33 557	-
		33 557	-
Summa omsättningstillgångar		33 557	-
SUMMA TILLGÅNGAR		360 636	327 079
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100	100
Reservfond		24 363	24 363
		24 463	24 463
Fritt eget kapital			
Balanserad vinst eller förlust		52 653	44 588
Årets resultat		15 921	8 065
		68 574	52 653
Summa eget kapital		93 037	77 116
Långfristiga skulder	*4*		
Skulder till koncernföretag		133 000	133 000
		133 000	133 000
Kortfristiga skulder			
Skulder till koncernföretag		129 313	116 077
Skatteskulder		4 689	-
Upplupna kostnader och förutbetalda intäkter		597	886
		134 599	116 963
SUMMA EGET KAPITAL OCH SKULDER		360 636	327 079

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Rapport över förändringar i eget kapital

	Bundet eget kapital		*Fritt eget kapital*		
	Aktiekapital	*Reservfond*	*Balanserat resultat*	*Årets resultat*	*Totalt*
Ingående balans 2022-01-01	100	24 363	50 992	-6 403	69 052
Omföring resultat föregående år			-6 403	6 403	-
Årets resultat				8 065	8 065
Utgående balans 2022-12-31	**100**	**24 363**	**44 589**	**8 065**	**77 117**
Ingående balans 2023-01-01	100	24 363	44 588	8 065	77 116
Omföring resultat föregående år			8 065	-8 065	-
Årets resultat				15 921	15 921
Utgående balans 2023-12-31	**100**	**24 363**	**52 653**	**15 921**	**93 037**

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Noter

Not 1 Redovisningsprinciper

Belopp i Tkr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade i jämförelse med föregående års räkenskapsår.

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

Utländsk valuta

Monetära poster i utländsk valuta räknas om till balansdagens kurs. Kursvinter och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Livida medel

Moderbolaget har medel på koncernkonto (cash pool) hos koncernens finansbolag. Dessa klassificeras som fordran i balansräkningen.

Skatt

Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt.

Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår rnellan bokförda respektive skattemässiga vården för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån beslutad skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Ingen uppskjuten skatt har redovisats under året på grund av osäkerhet i vilken utsträckning det kommer att utnyttjas.

Anläggninstillgångar

Andelar i koncernföretag och andra finansiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för eventuella nedskrivningar. Utdelningar redovisas som intäkt, även om utdelningen avser ackumulerade vinster innan förvärvstidpunkten. Utdelningen redovisas i normalfallet när behörigt organ fattat beslut om den och den kan beräknas på ett tillförllitligt sätt.

Finansiella tillgångar och skulder

Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, kortfristiga placeringar, leverantörsskulder, låneskulder och derivatinstrument. Instrumenten redovisas i balansräkningen när Testing Holdlngs Sweden AB blir part i instrumentets avtalsmässiga villkor.

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Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast legal kvittningsrätt föreligger samt en reglering med ett nettobelopp avses ske eller en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningar av finansiella aläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiela anläggningstillgångama. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Avsättningar
Företaget går en avsättning när det finns en legal eller informell förpfiktelse och en tillförlitlig uppskattning av beloppet kan göras. Företaget nuvärdesberäknar förpliktelser som väntas regleras efter mer än tolv månader. Den ökning av avsättningen som beror på att tid förflyter redovisas som räntekostnad.

Not 2 Räntekostnader och liknande resultatposter

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Räntekostnader, koncernföretag	-12 549	-6 744
Summa	**-12 549**	**-6 744**

Not 3 Andelar i koncernföretag

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	327 079	327 079
Redovisat värde vid årets slut	**327 079**	**327 079**

Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag
Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Dotterföretag / Org nr / Säte	*Antal-andelar*	*Kapital andel i %*	*Rösträtts andel i %*	*Redovisat värde*
Intertek Semko AB	10 000	100	100	298 291
Intertek ScanBi Diagnostics AB	1 000	100	100	28 738
Intertek Medical Notified Body AB	50 000	100	100	50
				327 079

	Säte	*Eget kapital**	*Årets resultat*
Intertek Semko AB, org nr 556024-0599	Stockholm	179 843	-924
Intertek ScanBi Diagnostics AB, org nr 556623-4893	Lomma	9 236	-158
Intertek Medical Notified Body AB, org nr 559155-0040	Stockholm	29 299	721

*Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
I Eget kapital ingår 79,4 % av obeskattade reserver.

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Not 4 Långfristiga skulder

	2023-12-31	*2022-12-31*
Skulder som förfaller senare än fem år från balansdagen		
Skulder till koncernföretag	133 000	133 000

Not 5 Ställda säkerheter och eventualförpliktelser

Ställda säkerheter

	2023-12-31	*2022-12-31*
Ställda säkerheter	*Inga*	*Inga*

Eventualförpliktelser
Bolaget har eventuella förpliktelser på 17,3 MSEK kopplade till tidigare tvist med Skatteverket kring ränteavdragsbegränsningar.

Not 6 Väsentliga händelser efter räkenskapsårets slut
Inga väsentliga händelser som kan påverka bolagets ekonomiska ställning har skett efter räkenskapsåret.

Not 7 Koncernuppgifter
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap 2§. Ägare i den största koncern där Testing Holdings Sweden AB är dotterföretag är Intertek Plc med säte i London. Det utländska moderföretagets koncernredovisning finns att tillgå hos Intertek Group plc 33 Cavendish Square, London W1G 0PS, UK.

Not 8 Nyckeltalsdefinitioner
Rörelsemarginal:
Rörelseresultat i procent av nettoomsättningen.

Justerat eget kapital
Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt.

Avkastning på eget kapital:
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital.

Soliditet:
Justerat eget kapital i procent av balansomslutning.

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Underskrifter

Stockholm den dag som framgår av vår elektroniska signatur

Stefan Eriksson
Styrelseordförande

Olof Ferenius
Ledamot

Johan Robertson
Ledamot

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska signatur

Öhrlings PricewaterhouseCoopers AB

Robert Nyholm
Auktoriserad revisor

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Lars Johan Göran Robertson
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STEFAN ERIKSSON
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OLOF FERENIUS
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Revisionsberättelse

Till bolagsstämman i Testing Holdings Sweden AB, org.nr 556533-1963

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Testing Holdings Sweden AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Testing Holdings Sweden ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Testing Holdings Sweden AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Testing Holdings Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Testing Holdings Sweden AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Testing Holdings Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den dag som framgår av vår elektroniska signatur

PricewaterhouseCoopers AB

Robert Nyholm
Auktoriserad revisor

Deltagare

PRICEWATERHOUSECOOPERS AB 556067-4276 Sverige

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Robert Nyholm
Auktoriserad revisor

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Book one: Strategic Report

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Book one: Strategic Report

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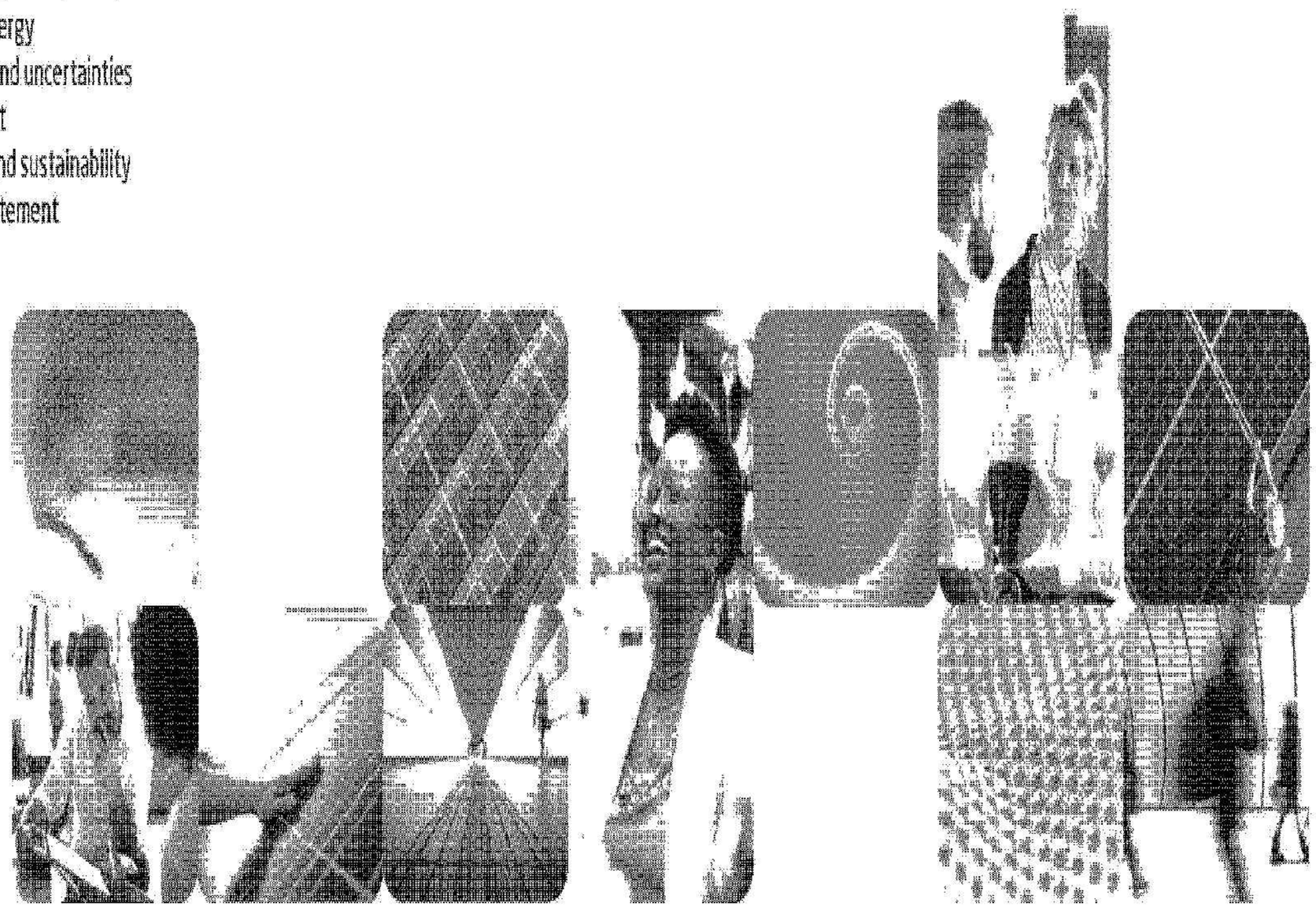
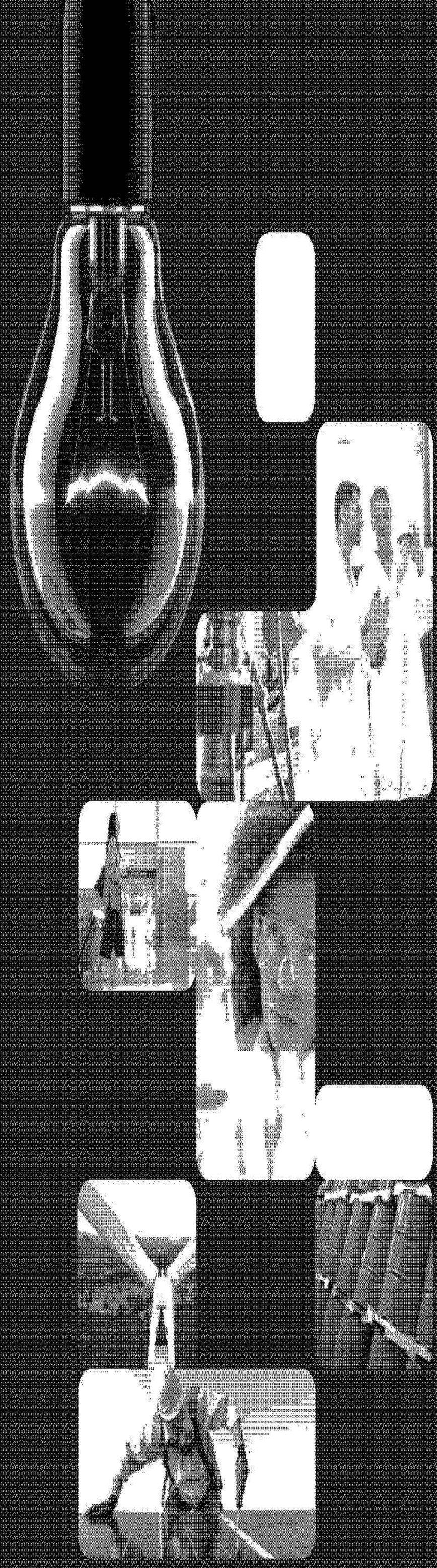
let's make the world amazing together and deliver sustainable growth and value for all



As a purpose-led organisation, we are energised about making the world a better place through the partnerships we have built over the years with all our stakeholders: our people, customers, communities and shareholders.



We are purpose-led and have a strong track record of value creation for all stakeholders. We believe that working in partnership and understanding the needs of each stakeholder is what it takes to create sustainable growth and value for all. We are proud of the progress we have made over the years and equally there is so much more we can do to make the world a much better place.

We are truly energised about the future growth opportunities to give our clients an Amazing ATIC Advantage, bringing quality, safety and sustainability to life in all parts of the global economy. Our people look forward to capitalising on the strong partnerships we have with our customers, suppliers, shareholders and communities to do so.

Let's make the world amazing together.

Colleagues

Creating amazing opportunities for our 44,000 people to thrive, always striving to offer the best customer service to our clients

We believe in the power of diversity, equity and inclusion. Our success is based on a well-established culture of trust among colleagues who bring passion and energy together with their highly skilled technical expertise to exceed the expectations of their customers. We deeply value the rights of our people across all our operations and throughout our business relationships. We want everyone to feel safe and engaged, with access to limitless personal growth opportunities.

87

(2022: 80)
ATIC Engagement Index score

To know that what we're doing is making a real difference – that's pretty empowering.

Vinu Abraham
Building & Construction, US



Read pages 10-17 in Book two



Supporting 400,000+ clients with innovative solutions that enable them to operate with higher standards on quality, safety and sustainability in each part of their value chain

We provide our customers with our industry leading ATIC solutions to ensure their products meet rigorous quality, safety, regulatory, brand and sustainability standards. With our expertise, they are able to power ahead safely, to navigate complex regulatory landscapes, gain access to new global markets, and demonstrate systemic and end-to-end assurance on all aspects of their sustainability operations. Our clients are increasing their focus on Risk-based Quality Assurance to operate with higher standards on quality, safety and sustainability in each part of their value chain, triggering a higher demand for our ATIC solutions, which are powered by our Science-based Customer Excellence ATIC Advantage.

To find out more about the amazing work we are doing for our customers

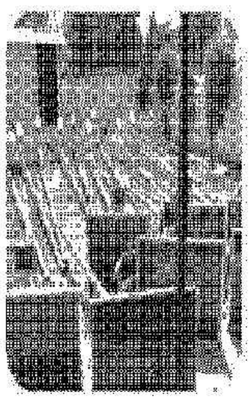
Read the operating review on pages 36-51

Communities

Supporting and enhancing our communities and the environment across our global network of state-of-the-art operations in more than 100 countries

Intertek people are always working to enrich the communities in which we operate by actively engaging in relevant initiatives such as community programmes, volunteer activities, partnerships with charities and social development projects. Through these efforts and making use of our Science-based expertise, we are able to address specific local social and environmental needs, contributing to community wellbeing and supporting sustainable practices that will help build an ever better world.





Solar-powered street lights for rural Gurugram, India

In partnership with local charity Deep Welfare Organisation, we installed solar-powered street lights in five villages in Gurugram, benefitting around 36,000 people.

Read more on page 35 of Book two

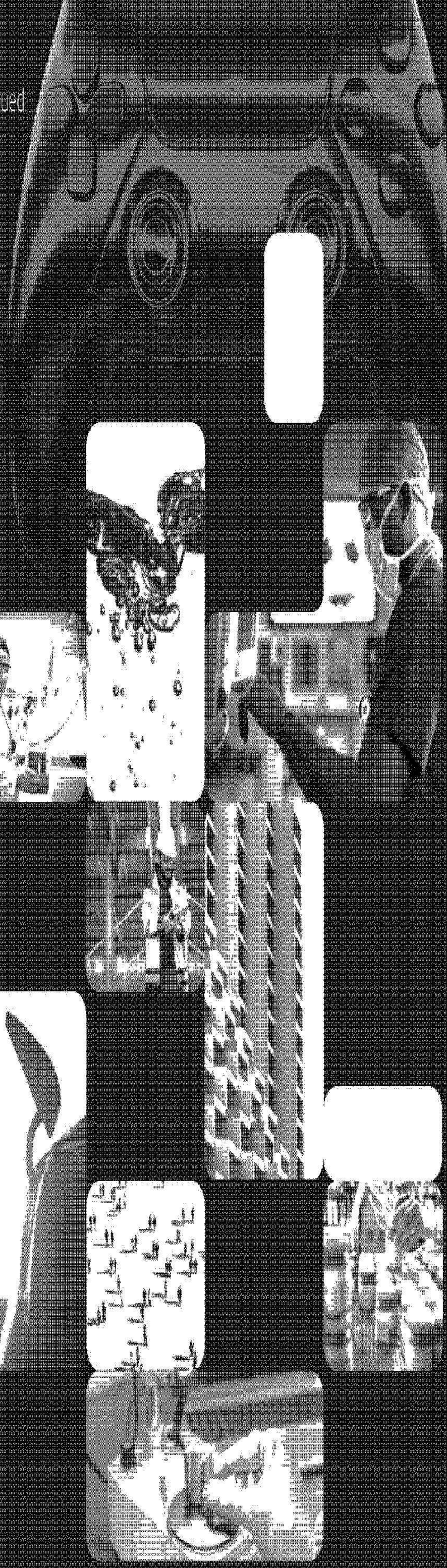
To find out more about Intertek making the world amazing

Read more on pages 33-39 of Book two

Shareholders

Operating a high-quality earnings model with a proven track record of sustainable value creation over the long term

As a purpose-led business focused on growth, Intertek delivers sustainable long-term value for our stakeholders. We operate a differentiated, high-quality growth business with excellent fundamentals and intrinsic defensive characteristics, giving our customers the Intertek Science-based ATIC Advantage to strengthen their businesses. Our approach to value creation is based on the compounding effect, year after year, of margin accretive revenue growth, strong cash generation and disciplined investments in high-growth and high-margin sectors. With our high-quality compounder earnings model, we are focused on delivering sustainable growth and value, harnessing the attractive structural growth drivers present across our global markets and unlocking the significant value growth opportunity ahead.



9% CAGR

2015-2023 total shareholder return

To find out more about how we create long-term value for our shareholders

Read our financial highlights on page 8

Chief Executive Officer's letter

let's make the world amazing for all



"I would like to recognise the contribution of our truly amazing people, who have delivered a strong performance in 2023 for our company, our clients, our shareholders and society as a whole."

André Lacroix
Chief Executive Officer

At Intertek, our purpose-led approach is making the world ever better, delivering sustainable growth and value for every stakeholder as an amazing force for good - from our people to our clients, our communities and our shareholders - all the time.

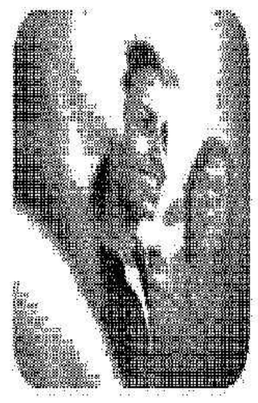
The Science-based Customer Excellence of our talented colleagues around the world gives us a unique competitive advantage, enabling our clients everywhere to power ahead safely and sustainably.

During the year we invested further in our industry-leading ATIC (Assurance, Testing, Inspection and Certification) customer value proposition that we pioneered in 2016, creating the concept of Risk-based Total Quality Assurance ('TQA') that redefined our industry. It's an approach that was ahead of its time then and that has underpinned our success in bringing quality, safety and sustainability to life, making us mission critical to our clients and society.

Read more about ATIC on page 18

In doing so, we have continued to provide our many hundred thousand clients the comprehensive ATIC solutions they need, making us their most trusted and valued partner in meeting their Risk-based TQA needs. With our constant focus on improving our reach, our insight and our capabilities, we continued to deepen existing relationships and attract new ones.

We launched our AAA differentiated growth strategy in 2023, taking an evolutionary approach, building on our strengths to accelerate growth for all, benefitting from the increased investments of our clients in Total Quality Assurance. We will capitalise on our proven high-quality earnings model to unlock the significant value growth opportunity ahead, while reinventing and improving ourselves in those areas where we can make an even greater difference than we are achieving today.

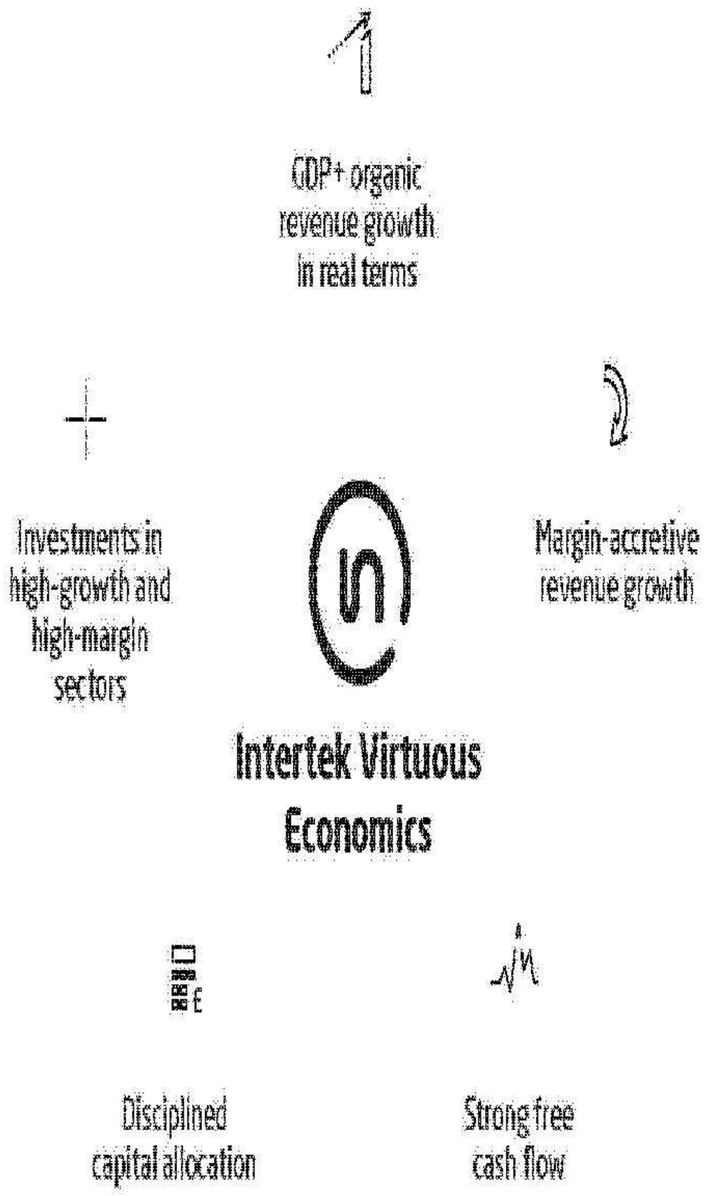




High-quality earnings model

Our proven, cash-generative earnings model is at the core of what makes us successful. It is based on the delivery of our unique TQA value proposition. The profitable delivery of ATIC services to customers operating in the structurally attractive Consumer Products, Corporate Assurance, Health and Safety, Industry and Infrastructure, and World of Energy sectors is dependent on our capital-light business model, and entrepreneurial and Customer 1st culture, which also enables us to respond quickly to new growth opportunities.

To maximise returns, we continue to invest in high-growth, high-margin areas and maintain a disciplined approach to capital allocation.



As we move through 2024, our good to great journey continues as we consistently add to our core areas of excellence and expertise. During 2023, we made progress embedding recent acquisitions, making new ones, and launching new innovations and centres of excellence throughout the business.

We are well positioned to help the world operate with ever-higher quality, safety and sustainability standards. We are working harder than ever before to ensure that everybody, everywhere has the opportunity to benefit from the quality excellence that our TQA solutions deliver, enabling clients to resolve the complex operating challenges they face.

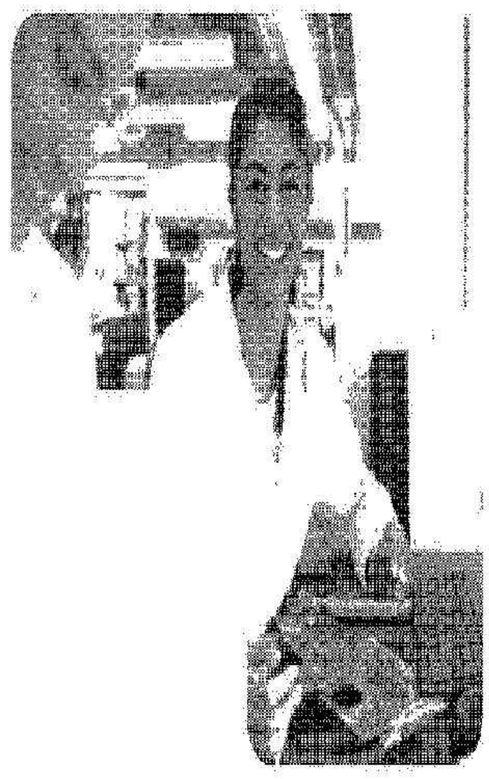
Results in 2023

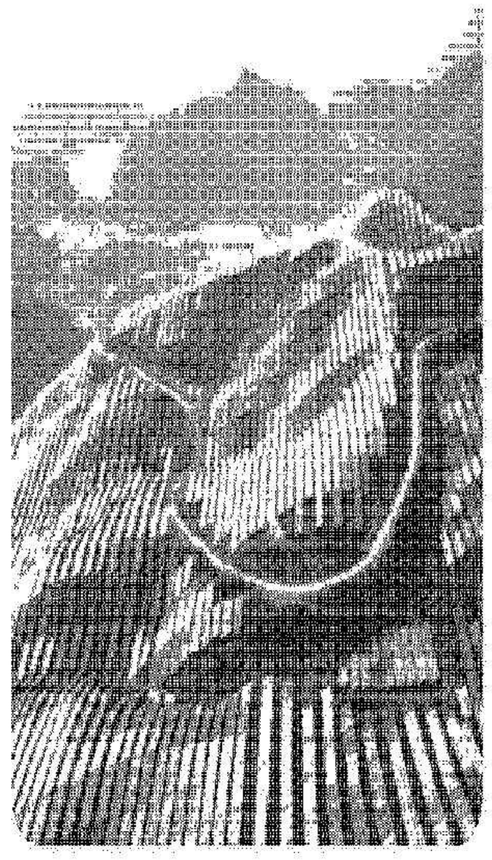
I would like to recognise all my colleagues for their unwavering support enabling us to deliver a strong 2023 performance in revenue growth, margin, EPS, cash and ROCE. Our revenue grew by 7.1% at constant currency driven by a LFL revenue growth of 6.2%, the highest in the last 10 years and the contribution of our acquisitions. Our systemic performance management drove strong profit conversion with margins rising 60bps at constant currency, driving EPS growth of 11.0% at constant currency. Cash conversion at 122% was excellent. We have delivered our highest ever cash from operations of £749m resulting in our net debt declining by £127m to £511m. We have a strong balance sheet giving us the ability to invest in growth. ROCE increased by 250bps to 22.5%.

Our clients are increasing their focus on Risk-based Quality Assurance to operate with higher standards on quality, safety and sustainability in each part of their value chain, triggering a higher demand for our ATIC solutions which are powered by our Science-based Customer Excellence ATIC Advantage. Over the last nine years, from 2014-2023, we have delivered a CAGR of 5.3%, 5.1% and 6.0% for revenue, operating profit and EPS, notwithstanding the impact of Covid. In May 2023, we introduced our Inherent AAA differentiated growth strategy to capitalise on the best-in-class operating platform we have built and target the areas where we have opportunities to get better. Our highly engaged, customer-centric organisation is laser-focused on take it to the next heights by putting our AAA strategy in action and continuing to deliver sustainable growth and value for all stakeholders.

Based on our positive momentum, we expect the Group will deliver a robust performance in 2024 with mid-single digit LFL revenue growth at constant currency, margin progression and a strong cash flow performance. We are on track to get back to our peak margin of 17.5% and beyond in the medium-term, capitalising on the revenue growth acceleration we are seeing for our ATIC solutions, our disciplined performance management and our investments in high-growth and high-margin segments.

We believe in the value of accretive disciplined capital allocation. In recognition of our highly cash generative earnings model, our strong financial position, the Board's confidence in the attractive long-term growth prospects for the Group and its ability to fund continued growth investments, we are increasing our targeted dividend payout ratio to circa 55% of earnings from 2024.





Financial highlights

- Revenue of £3,328.7m, +7.1% at constant currency and +4.3% at actual rates
- Highest LFL revenue growth in the last 10 years with 6.2% LFL revenue growth at constant currency
- LFL of 8.2% in Corporate Assurance, Health and Safety, Industry and Infrastructure, and World of Energy combined; Consumer Products LFL of 1.3%
- JLA, SAI and CEA acquisitions performing well, and Controle Analítico and PlayerLync integrations on track
- Adjusted operating profit of £551.1m, +10.9% at constant currency and +6.0% at actual rates
- Adjusted operating margin of 16.6%, +60bps at constant currency and +30bps at actual rates
- Adjusted diluted EPS of 223.0p, +11.0% at constant currency and +5.6% at actual rates
- Daily cash discipline delivers an all-time high operating cash flow of £749.0m with cash conversion of 122%
- Strong balance sheet; net debt reduced by £127m to £611m, and leverage ratio improved to 0.8x
- ROIC of 20.5%, +250bps year-on-year at constant currency and at actual rates
- Cost reduction programme delivered savings of £13m in 2023 and £10m expected in 2024
- Proven high quality compounding model; On track to deliver our medium-term margin target of 17.5%+
- Robust 2024 outlook: Mid-single digit LFL at constant currency, margin progression and strong cash flow
- Full Year dividend of 111.7p up 5.6% year-on-year; increasing targeted dividend payout to circa 65% from 2024

Revenue
£3,329m
(2022: £3,195m)

Like-for-like revenue[1]
£3,301m
(2022: £3,193m)

Adjusted free cash flow[1,2]
£378m
(2022: £386m)

Adjusted operating profit[1,2]
£551m
(2022: £529m)

Statutory operating profit
£486m
(2022: £452m)

Return on Invested Capital
20.5%
(2022: 18.0%)

Adjusted operating margin[1,2]
16.6%
(2022: 16.3%)

Statutory operating margin
14.6%
(2022: 14.2%)

Dividend per share[3]
111.7p
(2022: 105.8p)

Adjusted diluted EPS[1,2]
223.0p
(2022: 211.1p)

Statutory diluted EPS
183.4p
(2022: 178.4p)

1 Definitions of the alternative performance measures, metrics and constant rates can be found in Book three, page 64.
2 Adjusted operating profit, adjusted operating profit margin, adjusted diluted earnings per share (EPS) and adjusted free cash flow are non-GAAP measures. Adjusted measures are stated before separately disclosed items, which are described in note 3 to the financial statements in Book three, page 11. Reconciliations between statutory and adjusted measures, as well as for non-invested capital and cash conversion, are shown in the Financial Review.
3 Dividend per share for 2023 is based on the interim dividend paid of 37.7p (2022: 34.2p) plus the proposed final dividend of 74.0p (2022: 71.6p).

Strategic highlights

- As a purpose-led organisation, we are energised about making the world a better place through the partnerships we have built over the years with all our stakeholders.
- The Science-based Customer Excellence of our talented colleagues gives us a unique competitive advantage, enabling organisations to power ahead safely and sustainably.
- Our clients are increasing their focus on Risk-based Quality Assurance to operate with higher standards across their value chain, triggering a higher demand for our ATIC solutions.
- We launched our AAA differentiated growth strategy to accelerate growth for all, benefitting from the increased investments of our clients in Total Quality Assurance.
- We will capitalise on our proven high-quality earnings model to unlock the significant value growth opportunity ahead, while improving ourselves in those areas where we can make an even greater difference.
- We are well positioned to continue to deliver sustainable growth and value for all our stakeholders.

Sustainability highlights

- Levels of Hazard Observations increased, reflecting greater levels of activity across our sites as well as greater awareness and reporting of health & safety overall.
- Since 2015, we have used the Net Promoter Score ('NPS') process to listen to our customers, enabling us to improve our customer service over the years consistently.
- We are driving environmental performance across our operations through science-based reduction targets to 2030. Our rigorous monthly performance management of climate-related action plans delivered operational market-based emissions reductions of 10.8% against 2022 and 36.7% against our base year 2019.
- In 2023, our greenhouse gas ('GHG') emissions reduction targets were validated by the Science Based Targets initiative ('SBTi').
- We recognise the importance of employee engagement in driving sustainable performance for all stakeholders, and we measure employee engagement against our Intertek ATIC Engagement Index. Our 2023 score was 87 (2022: 80).
- Our voluntary permanent employee turnover improved to a low rate of 12.3% (2022: 14.0%).

In Action

Delivering best in class digital experience on intertek.com

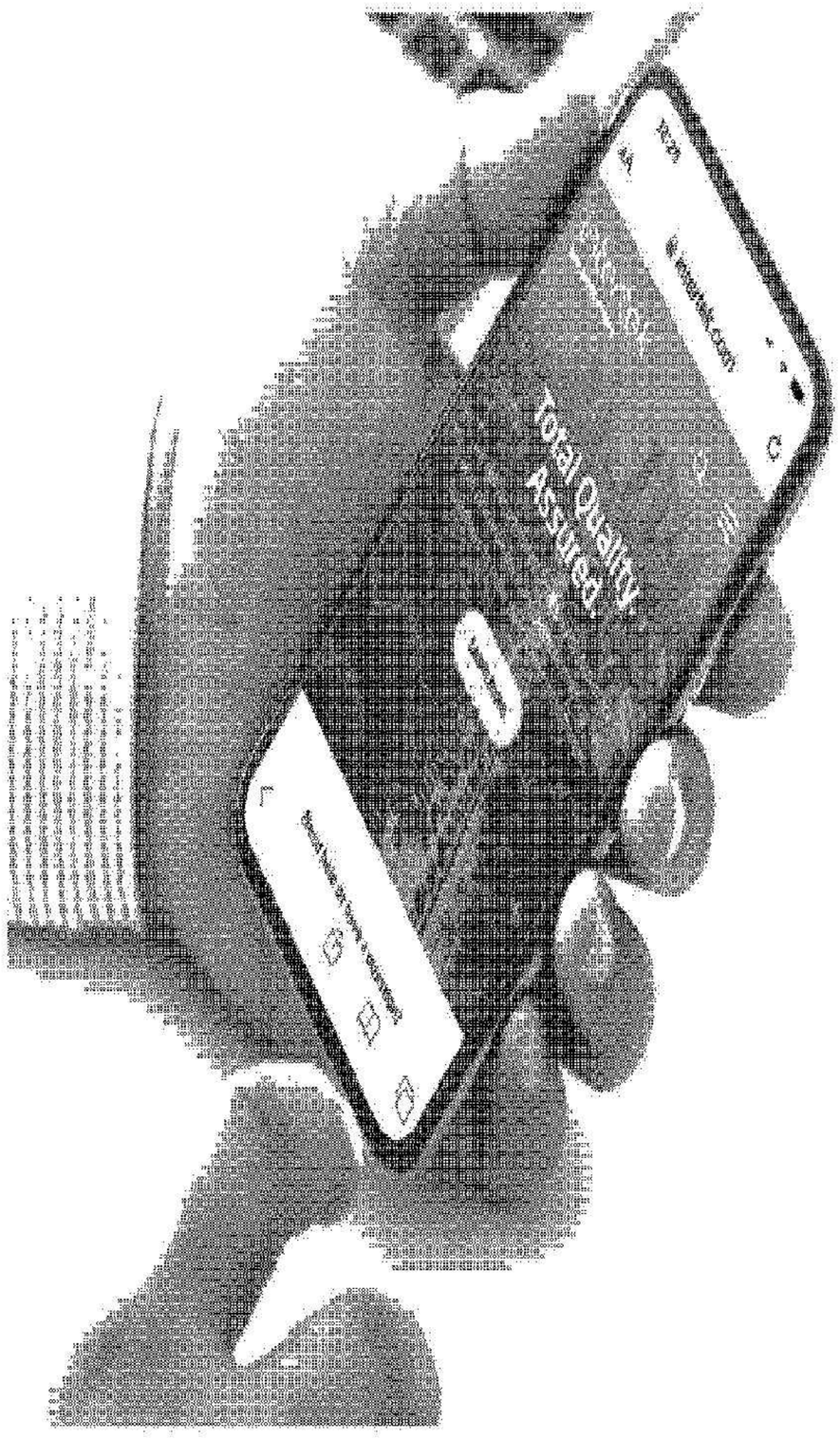
At the end of 2023, we proudly launched our redesigned website intertek.com, a higher energy and more immersive platform for a best in class customer experience.

Built on cutting-edge technology, the website is more user-friendly, with easier and faster navigation, and hosts a range of rich content, giving visitors increased insight into the Science-based Expertise behind our unique, industry-leading ATIC solutions.

The new design has been tailored to a range of different audiences, meaning that customers, investors, analysts, employees and even casual visitors can all come away with a greater appreciation of how Intertek is helping to bring quality, safety and sustainability to life, every day.

To stay up-to-date with our latest news and developments, visitors can sign up for online alerts.

Visit: intertek.com



Building a safer and more sustainable world by harnessing the increased demand for our ATIC solutions

In a post-Covid world, corporations are investing more in quality, safety and sustainability, accelerating the demand for our ATIC industry-leading solutions.

We operate in an industry with compelling structural growth drivers. As the global population grows, regulation becomes more complex and consumers focus more than ever before on safety, performance and quality. As a result, the need for end-to-end traceability continues to become more urgent and the transition to renewable energy increasingly important and rapid.

Based on our customer research, these attractive structural growth drivers are being augmented by the following set of emerging trends.

Higher investments in safer supply

Covid-19 has proved to be a catalyst for many corporations to improve the resilience of their supply chains. We are seeing a significant change of focus from our clients when it comes to managing their value chains, as they recognise the need for better data throughout their supply chains, tighter risk management with razor-sharp business continuity planning, and a more diversified portfolio strategy. All this means they are more prepared to invest in their processes, technology, training and independent assurance.

Higher investments in innovation

Our clients have also realised that they need to invest more in product and service innovation. That's the only way they can meet the changing needs of their customers. In a 2023 survey by Capgemini, 67% of Research & Development leaders expect to increase their investments in R&D. For us, these investments in innovation add up to a higher number of Stock Keeping Units, or SKUs, and tests per SKU. SKUs are vital tools for retailers and wholesalers, allowing them to identify products and monitor stock levels across systems and channels.

A step change in sustainability

Sustainability is the movement of our time, and the demand for clear and transparent sustainability-related information is growing with every government regulation. Consumers are looking for companies they can trust, and ones that align with their own values. Meanwhile investors are seeking more transparency, and stakeholder expectations are rising. With our industry-leading Total Sustainability Assurance solutions, we provide a unique end-to-end solution that includes our wide variety of sustainability services and independent certifications to meaningfully demonstrate commitment to sustainability.

Higher growth in the world of energy

The growth opportunities in the world of energy are truly exciting, as the demand for energy grows and the transition to greener energy accelerates. Having seen the recent concerns over energy security and given the under-investments in traditional oil and gas exploration and production in the last decade, along with the lack of scale for renewables, investments for production in both sectors are set to increase. This is a significant opportunity for Intertek, and we're working to lead the way with our science-based fuels innovation and sustainability solutions.

Increase in new clients

There is also significant growth in the number of companies globally, largely due to the lower barriers to entry in many sectors for any brand with e-commerce capabilities. So many of these young companies have one key thing in common - a lack of Quality Assurance expertise. This makes them perfect clients for our Global Market Access solutions and, as a decentralised customer-focused organisation, we have an amazing track record of winning new clients and maintaining long-term client relationships.

Read more about ATIC on page 18

Intertek 'AAA' differentiated growth strategy

We have made strong progress between 2014 and 2023 delivering sustainable growth and value for our stakeholders, and we are very excited about the significant growth value opportunity ahead, capitalising on our Science-based Customer Excellence TQA advantage.

At our Capital Markets Event last year we unveiled our Intertek AAA differentiated growth strategy to capitalise on the best-in-class 5x5 operating platform we have built in recent years and to target the areas where we have opportunities to get better.

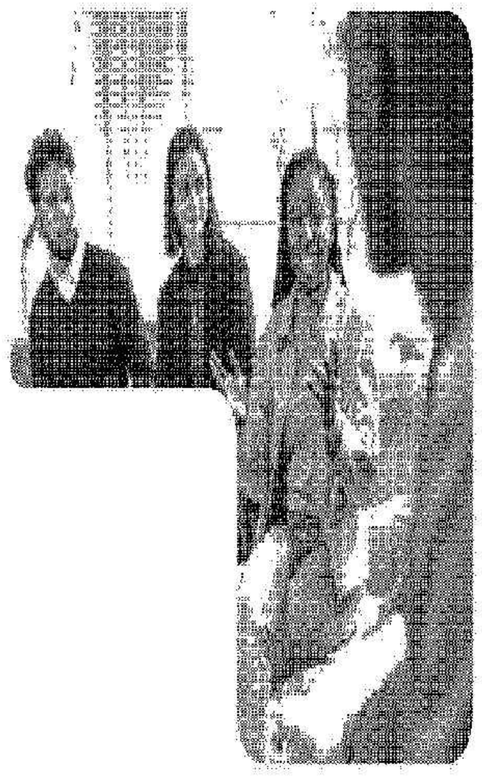
Our Intertek AAA differentiated growth strategy is about continuing our good to great journey and unlocking the significant value growth opportunity ahead by being the best and creating significant value for every stakeholder every day.

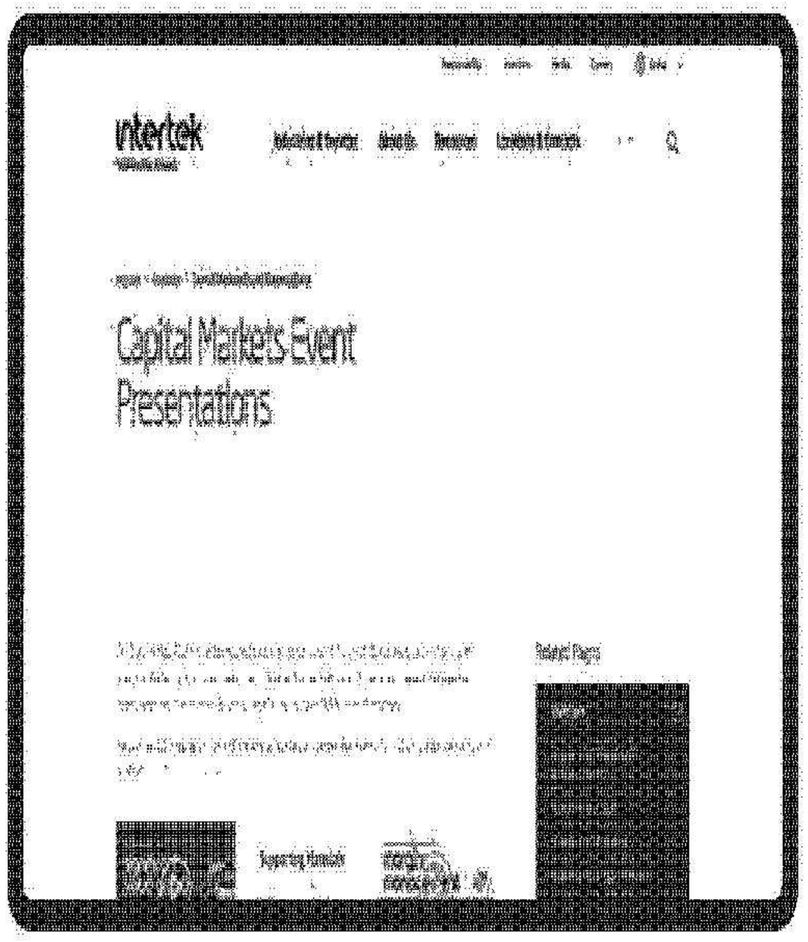
We want to be the most trusted TQA partner for our customers, the employer of choice for our employees, to demonstrate Sustainability Excellence everywhere in our community and deliver sustainable growth and value for our shareholders.

To seize the significant growth value opportunity ahead we will be laser-focused on three strategic priorities and three strategic enablers. Our strategic priorities are defined as Science-based Customer Excellence TQA, Brand Push & Pull, and Winning Innovations, and our three strategic enablers are based on 1CX Purpose-based Engagement, Sustainability Excellence and Margin Accretive Investments. We will both further improve where we are already strong and address the areas where we can get better.

At the Capital Markets Event we set out how our passionate, innovative and customer-centric organisation is energised to take Intertek to greater heights delivering AAA performance for all stakeholders. We are focused on delivering value consistently, targeting mid-single-digit LFL revenue growth, margin accretion to return to our 17.5% peak margin and beyond, strong cash generation and a more agile organisation while pursuing disciplined investments in attractive growth and margin sectors.

See our business model on pages 16-25





Visit: intertek.com/investors/capital-markets-event-presentations/

Our high-quality portfolio is poised for faster growth:

- The depth and breadth of our ATIC solutions positions us well to seize the increased corporate needs for Risk-based Quality Assurance
- All of our global business lines have plans in place to seize the exciting growth drivers in each of our divisions
- At the local level, our country-business mix is strong, with the majority of our revenues exposed to fast-growing segments
- Geographically, we have the right exposure to the structural growth opportunities across our global markets

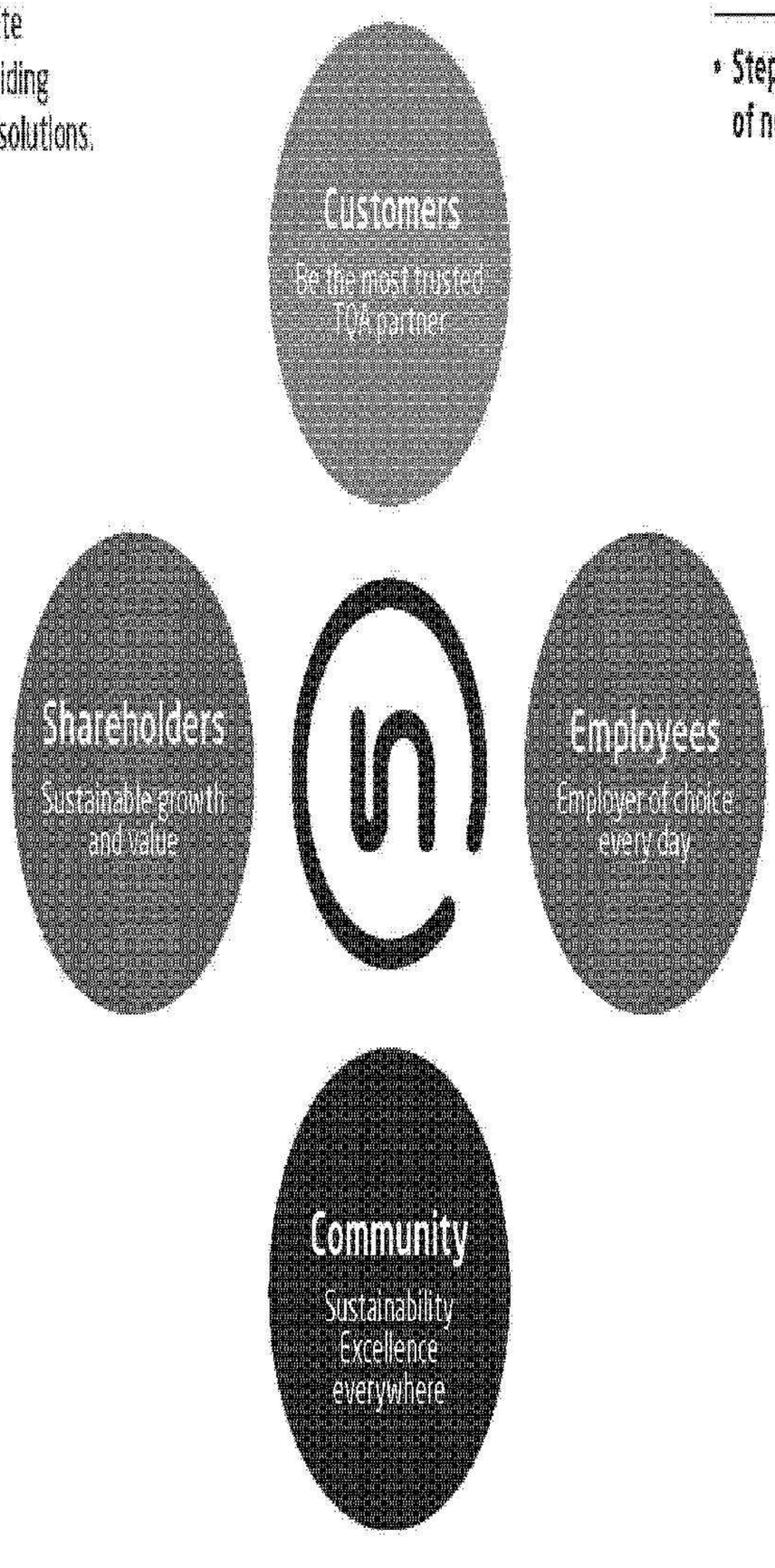
Introducing our Amazing ATIC Advantage good to great strategy

AAA means giving our clients an 'Amazing ATIC Advantage' to make their businesses stronger

It's about being the absolute industry champion by providing clients with the best ATIC solutions.

Being the best for every stakeholder all the time

We want to be the most trusted TQA partner for our customers, the employer of choice for our employees, to demonstrate Sustainability Excellence everywhere in our community and deliver significant growth and value for our shareholders.



Our goals

To achieve this ambition, we will focus on three goals:

- 10X purpose-led engagement in every team
- Higher revenue with existing customers
- Step up the acquisition of new clients

Our AAA differentiated growth strategy

We will reach our goals by implementing our AAA differentiated growth strategy to unlock the significant value growth opportunity ahead.

Our strategic priorities

Science-based TQA Customer Excellence
We invest in the skills we need to deliver operational excellence and superior customer service

Brand Push & Pull
We are leveraging the strength of our brand to become a B2B2C brand, a real first in our industry

Winning Innovations
Our innovative solutions help clients resolve their quality, safety and sustainability challenges

Our strategic enablers

10X Purpose-based Engagement
Working with Gallup, we're giving our teams the data they need to unleash their full potential

Sustainability Excellence
Our integrated control and compliance approach ensures we deliver on all aspects of sustainability

Margin Accretive Investments
Our investments help us leverage our scale and ensure our portfolio is poised for faster growth

Leading the industry through innovation and M&A

True to our pioneering spirit, we at Intertek constantly reinvent ourselves, delivering winning ATIC solutions which allow our clients to resolve the complex Quality Assurance challenges they face. That's why we launched Global Market Access ("GMA"), a one-stop digital knowledge platform which helps resellers of soft goods, hard goods and personal protective equipment better understand and comply with regulations across the world, facilitating significant improvements in consumer safety.

Likewise, the launch in Turkiye of our pioneering new platform iCare has made it possible for fashion manufacturers to access real-time information about the status and progress of their submitted samples in just a few clicks, meaning they can effortlessly manage all their testing projects through one centralised platform, accessible 24/7.

We also set up several new centres of expertise, including our state-of-the-art Battery Excellence Centre in Mestre, near Venice in Italy, and our Electrification Centre of Excellence in Plymouth, Detroit, allowing us to meet rising demand from two of the world's fastest growing sectors for Intertek's Science-based TQA solutions.

Another highlight from 2023 was the introduction of advanced Fire Assay technology into our Minerals laboratory in Tarkwa, Ghana – a revolutionary new technique that delivers faster results and uses fewer hazardous chemicals than other testing procedures, minimising our impact on the environment.

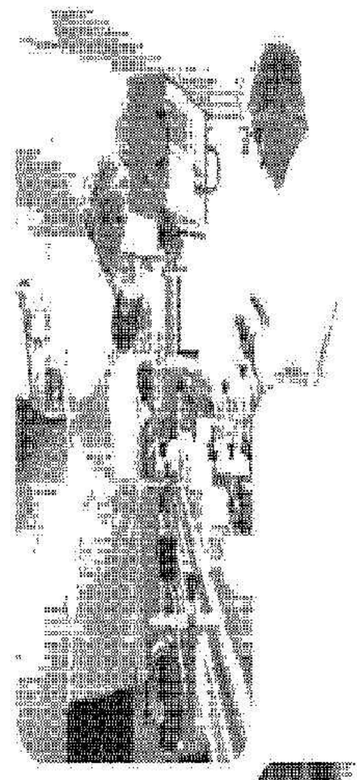
Finally, we have also seized a number of attractive growth opportunities, strengthening our portfolio in high-growth, high-margin areas through recent acquisitions like SAI Global Assurance, LAQualis Laboratório de Análises de Alimentos S.A., Clean Energy Associates LLC and Controle Analítico Análises Técnicas Ltda that have allowed us to further expand our share of the global Quality Assurance market and have been successfully integrated and are performing well and in line with our expectations.

The acquisition of Playvalve Holdings Ltd, a leading provider of training and learning content to front line workforces at some of the world's leading brands, leaves us exceptionally well-placed to take advantage of fast-growing market demand for software-based, technology-enabled People Assurance services.

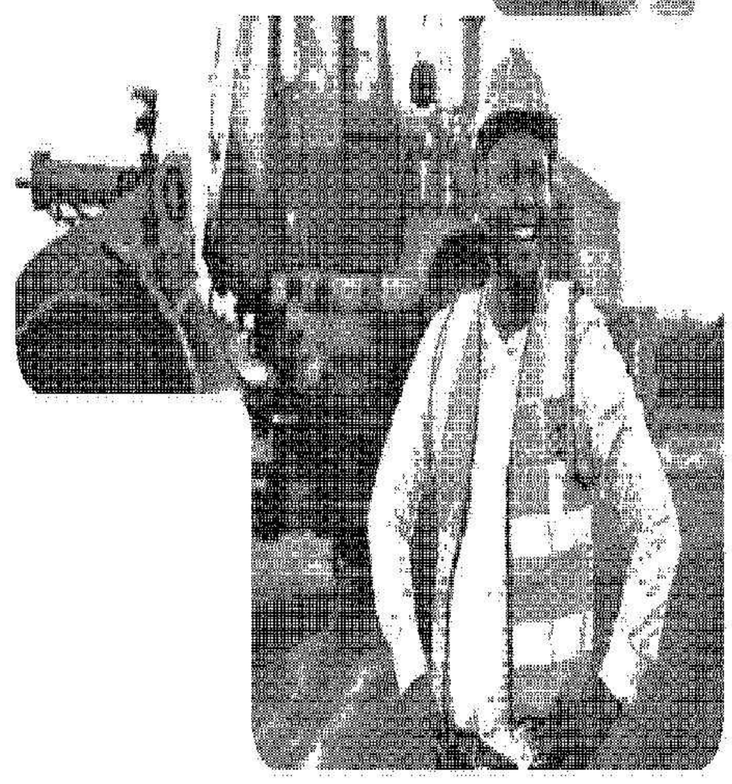
These developments reflect the commitment we share at Intertek to drive continuous innovation which powers new growth opportunities and helps to make our world a safer, more sustainable, and amazing place.

We will continue to look at M&A opportunities that attractive high-margin and high-growth areas to broaden our ATIC portfolio of solutions with new services we can offer to our clients and to expand our regional coverage.

Read more about our innovations in the Operating review on pages 36-51







Sustainability at the heart of everything we do

Now more than ever, sustainability is the growth accelerator we are seeing stronger than in the area of sustainability. This is the movement of our time and is central to everything we do at Intertek – anchored in our Purpose, our Vision, our Values, and now in our AAA differentiated growth strategy as well.

Sustainability is important to all stakeholders in society who are consistently demanding faster progress and greater transparency in sustainability reporting.

Companies everywhere therefore continuously need to upgrade and reinvent how they manage their sustainability agenda, particularly with regard to how they disclose their performance.

This is why, under our global Total Sustainability Assurance ("TSA") programme, we provide our clients with proven independent, systematic and end-to-end assurance on all aspects of their sustainability strategies, activities and operations.

The TSA programme comprises three elements:

- Intertek Operational Sustainability Solutions
- Intertek ESG Assurance
- Intertek Corporate Sustainability Certification

Visit: intertek.com/sustainability/

Total Sustainability Assurance

TSA is a global programme that leverages our footprint in over 100 countries and covers all industries. We have built a team of sustainability experts in every major region who can help with both a global and local perspective. Read more about how we help our clients meet their sustainability goals in the Sustainability Report, Book two, pages 18-25.

Intertek Operational Sustainability Solutions enable companies to understand, achieve and validate their existing and emerging sustainability goals for their products, assets, facilities, systems, processes and the environment.

Providing independent verification of sustainability disclosures and reporting, Intertek ESG Assurance enables companies to identify areas of risk and impact, define their sustainability strategies and prepare ESG reports.

Intertek Corporate Sustainability Certification covers topics from Quality and Safety to the Environment and Communication & Discussure, enabling clients to verify their corporate sustainability performance across the ten most essential corporate sustainability subject areas.

Our TSA approach uses the deep scientific, engineering and auditing expertise of our sustainability teams to meet our clients' needs with industry-agnostic, industry-specific or tailored solutions, with holistic solutions covering everything from consulting and gap assessments, to training, to regulatory reporting and corporate certification, and with actual, real-world improvements in sustainability in the operations and value chains.

At Intertek, we live by the same values that our wide range of sustainability services enable our clients to embrace. We have also committed to ambitious science-based targets to reduce our own operational emissions and achieve net zero carbon emissions across our entire footprint by 2050.

I am particularly pleased that during the year we received validation from the Science-Based Targets initiative ("SBTi") for our targets relating to reducing greenhouse gas ("GHG") emissions.

I am delighted that in validating these targets, the SBTi has found that we are in line with the ambition to restrict global temperature increases to 1.5°C above pre-industrial levels by 2050. I am also happy to report that our rigorous monthly performance management of climate-related action plans delivered operational market-based emissions reductions of 10.8% against 2022 and 35.7% against our base year 2019.

Among other key developments during the year, we received AAA accreditation from the MSCI ESG ratings and were included for the seventh consecutive year in the FTSE4Good Index. These and many other initiatives, challenges and achievements relating to the environment are described in depth in our Sustainability Report.

We continued to deliver progress on our health & safety performance with a low Total Recordable Incident Rate. We also recorded an employee engagement score of 87 against our Intertek ATTE Engagement Index, compared with 86 in 2022. And our voluntary permanent employee turnover during the year stood at the low rate of 12.5% compared to 14.9% in 2022.

Read more about Sustainability Excellence in Book two

You'll be amazed

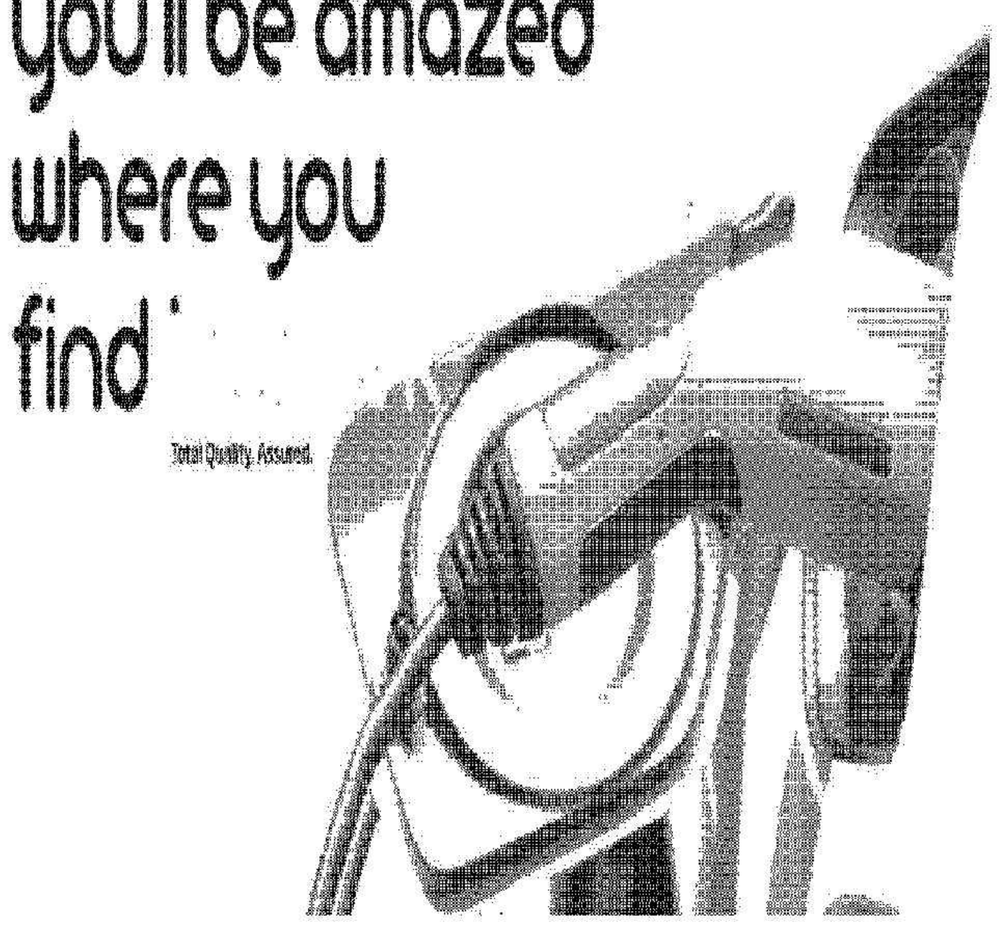
As an industry pioneer, on our good to great journey, we have been focused across all of our business lines on making Intertek the global icon for Total Quality Assurance.

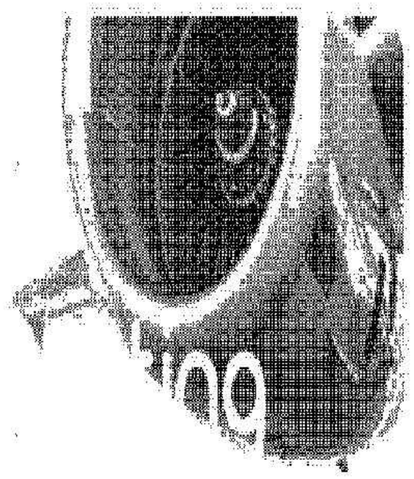
It is to bring awareness of the sheer scope of our amazing people's expertise that we have launched the 'You'll be amazed where you find Intertek' campaign, the industry's first ever brand campaign that reaches out directly to consumers, highlighting the mission-critical role that Intertek plays in areas from pioneering cancer research to ensuring the safety of wind turbines and helping to assure that the fuel inside Air Force One is fit for flight before take-off.

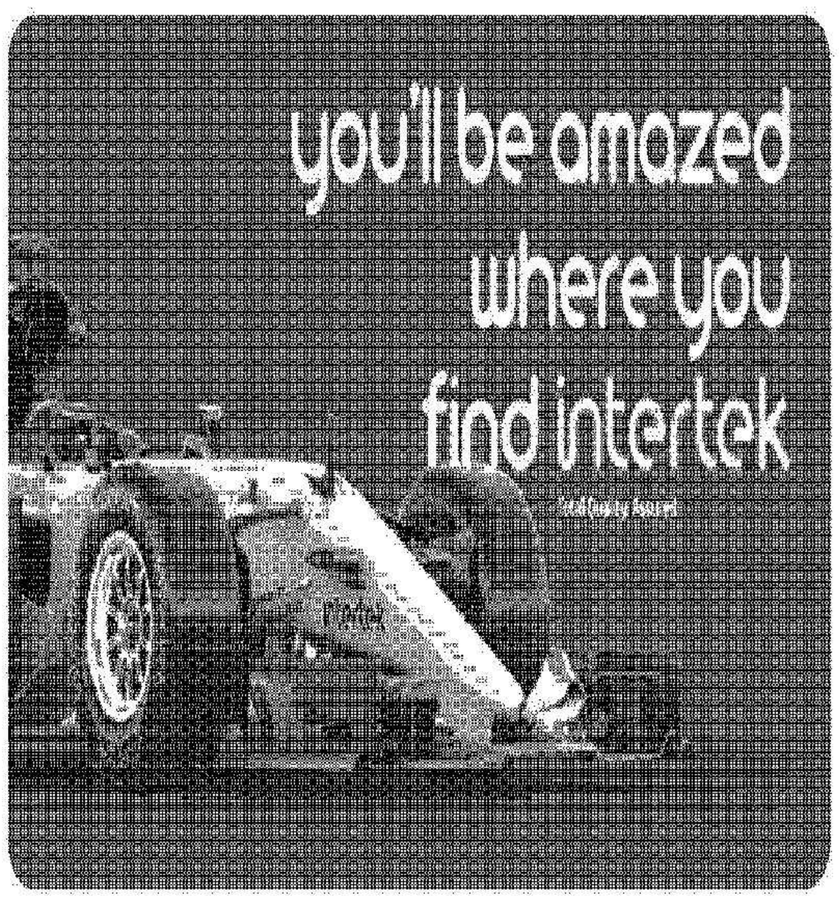
By targeting a consumer audience for the first time, the campaign aims to create awareness outside a purely business-to-business environment. This campaign celebrates that Intertek has a positive impact on all aspects of modern life, by shining a light on the incredible work of our colleagues through social media content and stories.

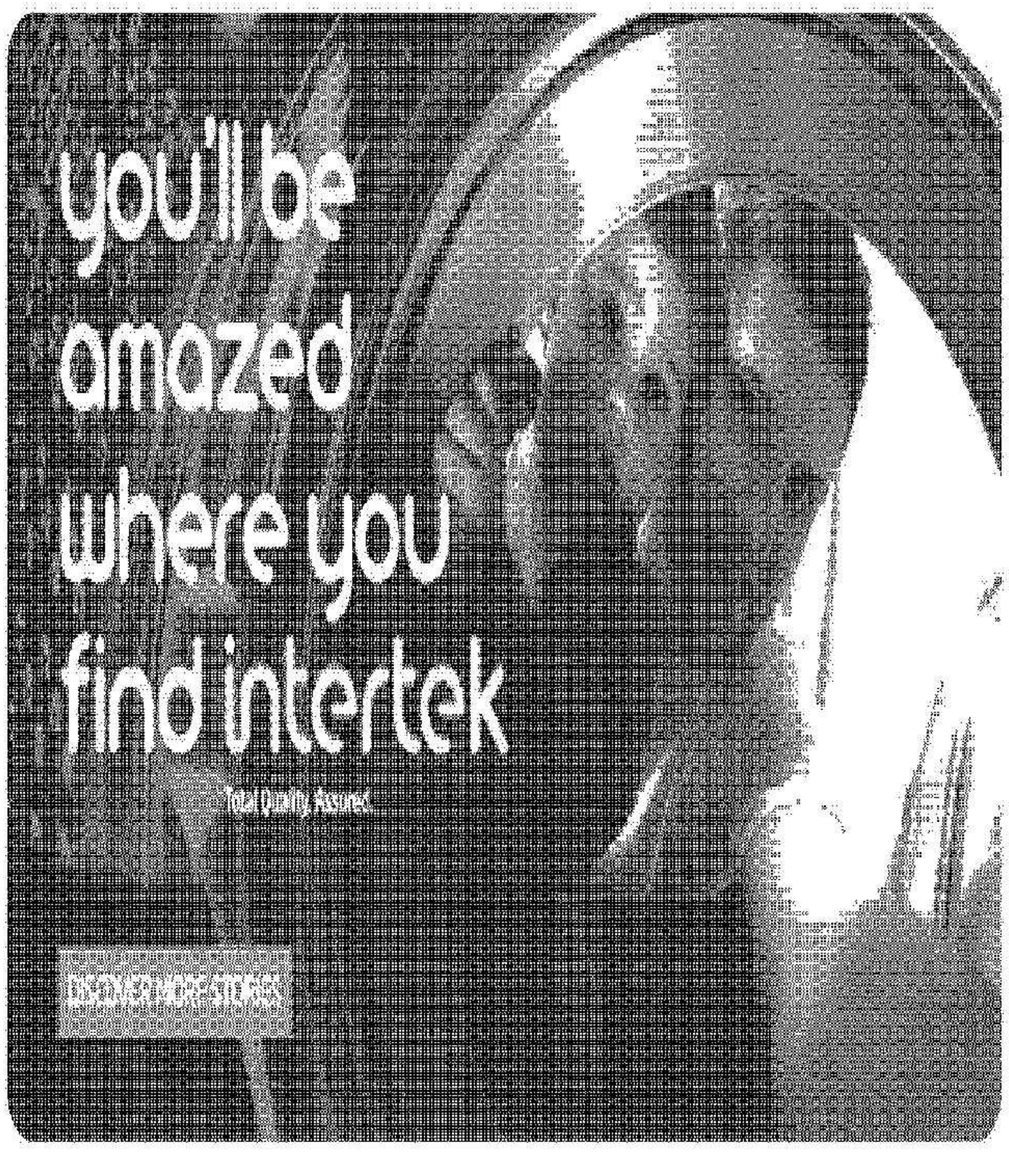
By helping to make our brand a household name for quality, safety and sustainability around the world, it will place us more front-of-mind for new decision makers as we become the B2B2C brand icon for Total Quality Assurance.

Connect with our 'You'll be amazed' campaign











intertek.com/amazed

linkedin.com/company/intertek

Our amazing people

I would like to highlight the contribution of our truly amazing people, who once again have delivered a strong performance for our company, our clients, our shareholders and society as a whole.

Across the organisation, our people are truly engaged about the opportunity we have to deliver on our Purpose of bringing quality, safety and sustainability to life. This genuine commitment and customer-centric passion is at the heart of our culture and our determination to be the agents of positive change around the world is evident in everything we do.

We have a highly disciplined approach to performance management, which underpins our operational excellence and continuous improvement approach in everything we do. Our commitment to excellence involves the constant measurement of our progress against a range of operational metrics, using data intelligence to meticulously gauge and understand our customer service levels and turnaround times.

This approach, along with our unwavering focus on quality at every site, is crucial to our ability to deliver constant improvement, with our commitment to operational and health & safety excellence to ensure that our customers always receive a superior service.

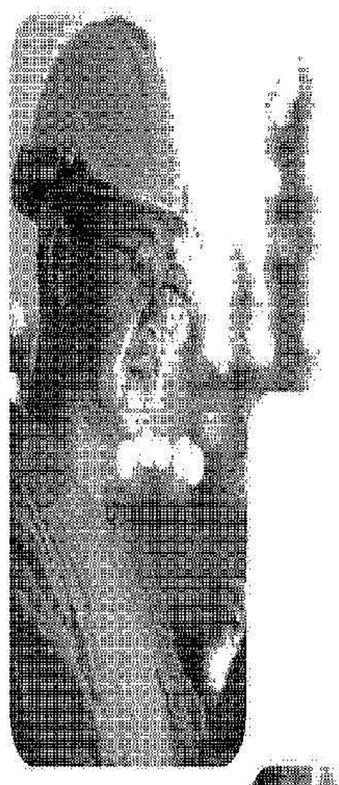
Our ability to do this comes down to the incredible energy of our 44,000 people across the world, and I thank each and every one of them for their unwavering support, applying their Science-based Customer Excellence that powers our AAA differentiated growth strategy.

I am truly proud to be working alongside them all to make the world amazing. Read more about our culture and people in the Sustainability Report, Book two pages 10-17.

During the year, we also announced the establishment of a new Group Executive Committee to take advantage of the exciting growth opportunities ahead. In a world where companies are increasing their focus on Risk-based Quality Assurance to make their businesses stronger. Read more about our Group Executive Committee on page 53 in the Directors' Report in Sustainability Report, Book two.

Our goal is to have fully engaged employees working in a safe environment.







Looking ahead: let's make the world amazing together

The world has made tremendous progress in the last 50 years to operate with higher quality, safety and sustainability standards. As I look ahead to 2024 and beyond, I am confident that we will continue to benefit from the acceleration in growth for our ATIC solutions as our clients increase their investments in safer supply chains, innovation and sustainability.

What we do is mission critical for the world's supply chains to operate safely 24/7. We are purpose-led and passionate about bringing quality, safety and sustainability to life, leveraging our differentiated, high-energy, people-centric culture to focus on maintaining our strong track record of delivering sustainable value for all stakeholders. This makes us a force for good, committed to helping the world become amazing now and into the future.

We have been a pioneer for more than 130 years, providing Total Quality Assurance to give our customers the peace of mind they need to operate safely and make their businesses stronger with our ATIC solutions. Our ATIC services are provided to all industries, touching almost every aspect of life from the ordinary to the incredible, with a global network of state-of-the-art operations in more than 100 countries.

As we work with our clients to make the world amazing together, we are energised by the future growth opportunities we can unlock by bringing our clients the benefits of our Science-based Customer Excellence Advantage.

That's how we'll continue to bring quality, safety and sustainability to life in all parts of the global economy, building on the uniquely strong partnerships we have in place – not only with our customers, but also with our people, suppliers, shareholders and communities.

Let's make the world amazing together

André Lacroix
Chief Executive Officer

Our business model

How we apply

our passionate culture, science-based expertise, and resources

to create sustainable value

Who we are
Page 17

We are passionate about our Purpose and committed to being ever better. Our people are guided by science, and sustainability is central to everything we do.

What we do
Page 18

Intertek's unrivalled Total Quality Assurance is delivered consistently with precision, pace and passion. Science-based Customer Excellence is what makes us different.

Where we operate
Page 20

We report revenue, operating profit and margin in five divisions: Consumer Products, Corporate Assurance, Health and Safety, Industry and Infrastructure, and World of Energy.

How we do it
Page 22

The industry-leading solutions we provide are delivered with an unwavering commitment to our customers and by investing in our global network.

How we create value
Page 24

We are a force for good in the world, and our solutions create meaningful and sustainable long-term value for a broad range of stakeholders.

Who we are

We are passionate about our Purpose and 'Doing Business the Right Way'. We strive to make the world a better, safer and more sustainable place for all, now and for future generations.

As the world changes, supply chains are rapidly growing in size and complexity, bringing unprecedented levels of risk. As a result, it can become more difficult for businesses to operate safely and sustainably while delivering quality products and services. In these challenging times, companies need a trusted partner, which is why we provide our clients with a unique risk-based approach to Quality Assurance. We call this Total Quality Assurance and only Intertek offers it.

Our Purpose
Bringing quality, safety and sustainability to life.

Our Vision
To be the world's most trusted partner for Quality Assurance.

Ever better
As a company we are committed to becoming ever better in everything we do. That means more than simply seeking ways to constantly improve our operations for enhanced efficiency and effectiveness. It means investing in our Science-based Customer Experience approach to provide superior services, enabling our 400,000+ clients to become ever better too.

Our people, culture and values
We value diversity and our core strength is, and always will be, our people. We are guided by science, and it's the way our colleagues combine passion and innovation with customer commitment that sets us apart.

Our decentralised operating culture is built around strong values. These values are instrumental and help us to drive sustainable growth for all. They guide our behaviours every single day, underpinning the way we work, guiding decisions on trading and connecting colleagues across the world.

Sustainability is central to everything we do and we demonstrate our commitment and passion to be a force for our clients to make a difference, as well as bettering ourselves every day.

Read more about Sustainability Excellence in Book two

Our Values
We are a global family that values diversity.

We always do the right thing, with precision, pace and passion.

We trust each other and have fun winning together.

We own and shape our future.

We create sustainable growth. For all.



What we do

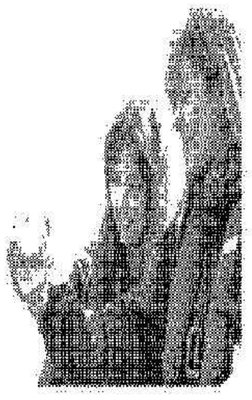
At Intertek, we bring our clients the benefits of our unique risk-based assurance solution: Total Quality Assurance.

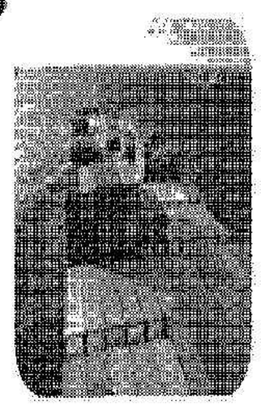
For more than 130 years, we've been a pioneer, innovating to mitigate risk and bring quality and safety to organisations. From our beginnings certifying grain cargoes and then testing and ensuring the safety of Thomas Edison's products, we have become a global force for good today, we're an industry leader committed to bringing quality, safety and sustainability to life with precision, pace and passion.

Our work covers everything from testing toys to inspecting power stations, from supporting excellence in electric mobility to promoting circularity in tourism, from certifying watches to providing end-to-end Quality Assurance across every aspect of an organisation's operations and supply chain. Our innovation-led, end-to-end value proposition supports our clients 24/7 providing a unique and fully integrated portfolio of Assurance, Testing, Inspection and Certification (ATIC) services in a way that delivers complete peace of mind across all products, services and operating systems.

But the ATIC solutions we offer go beyond the quality and safety of a corporation's physical components, products and assets. They go to the heart of the reliability of their operating processes and quality management. We call this Total Quality Assurance because it enables our clients to mitigate risk at every stage of their operations.

In short, we help our clients operate in safety and make their businesses stronger, making the world amazing – a better, safer and more sustainable place for everybody.





End-to-end ATIC services

Assurance
(21% Group revenue)

Enabling our customers to identify and mitigate intrinsic risk in their operations, their supply and distribution chains and quality management systems.

Assurance goes beyond testing, inspection and certification to look at the underlying elements that make a company and its products successful. Intertek's assurance solutions provide total peace of mind to our clients that their operating procedures, systems and people are functioning properly to provide competitive advantage.

Our extensive auditing, performance benchmarking and supply chain services give clear sight to every aspect of a company's operations, right across the value chain, enabling informed business decisions. Our training services ensure workforce competencies are current and relevant. Our experts around the globe bring their knowledge to clients' organisations, identifying and mitigating risks, streamlining manufacturing processes and supply chains, and so much more.

Visit: intertek.com/assurance/

Testing
(46% Group revenue)

Evaluating how our customers' products and services meet and exceed quality, safety, sustainability and performance standards.

Intertek's testing services support the quality, performance, regulatory compliance, safety, benchmarking, evaluation, validation, analysis, and other requirements for products, components, raw materials, sites, and facilities.

Our fixed and in-house laboratory testing services provide the data our clients need to optimise their product or process and get products to market quickly and economically.

Our experts and global resources are equipped to meet testing timelines and product needs. As legislations change and technology is created or innovated, our knowledge and industry expertise ensure products and businesses are prepared to meet evolving demands.

Visit: intertek.com/testing/

Inspection
(25% Group revenue)

Validating the specifications, value and safety of our customers' raw materials, products and assets.

Independent third-party inspections help our clients around the world protect their financial, branding and legal interests throughout the entire supply chain. We offer inspection services to manufacturers, retailers, traders, plant operators, governments and other buyers and sellers of materials and products.

Inspections help minimise the risk of defective products by ensuring they meet customer standards as well as industry and government regulations. This serves to protect business interests, manage risk and ensure quality products are manufactured and delivered to their final destination in the correct specifications.

Our experienced inspectors help identify products and shipments which may contain non-standard or non-compliant components and materials. We also support the end-to-end life management of facilities such as power plants and oil refineries.

Visit: intertek.com/inspection/

Certification
(8% Group revenue)

Formally confirming that our customers' products and services meet all trusted external and internal standards.

Intertek maintains extensive global accreditations, and we are recognised for our testing and certification services.

With both international and local proficiency, Intertek brings the qualifications customers need to get products in front of the right eyes. We offer certification programmes that achieve market entry into a variety of global destinations, programmes for a more eco-friendly environment, and programmes to verify social accountability compliance for factories and their suppliers.

We help clients showcase and maintain products' safety and performance. Our leadership and expertise in regulatory standards and certifications keep clients ahead of changes and challenges, and our knowledge of the process from sourcing to market post an creates efficient, cost-effective solutions that meet best industry practices.

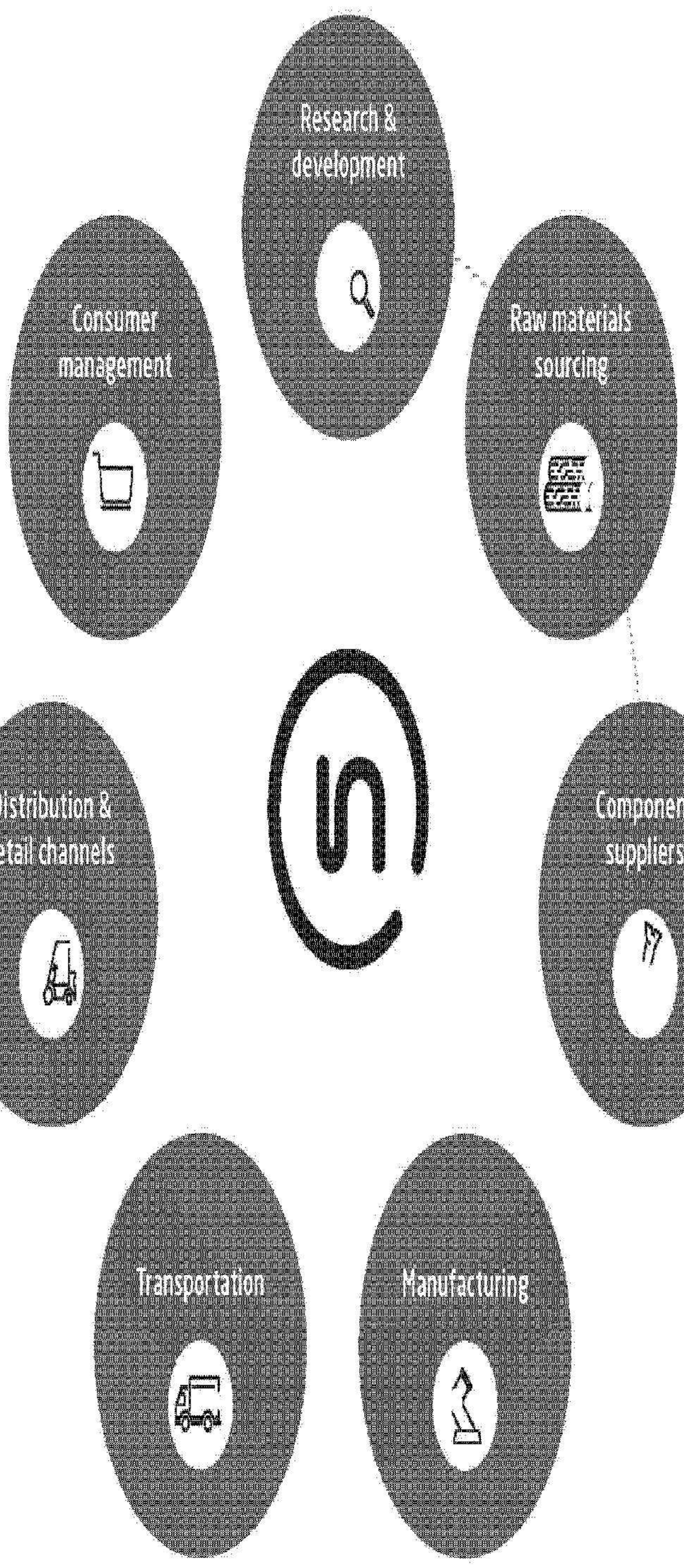
Visit: intertek.com/certification/

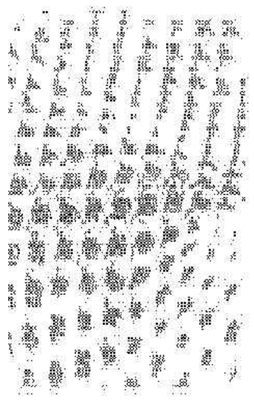
Most trusted partner for Quality Assurance

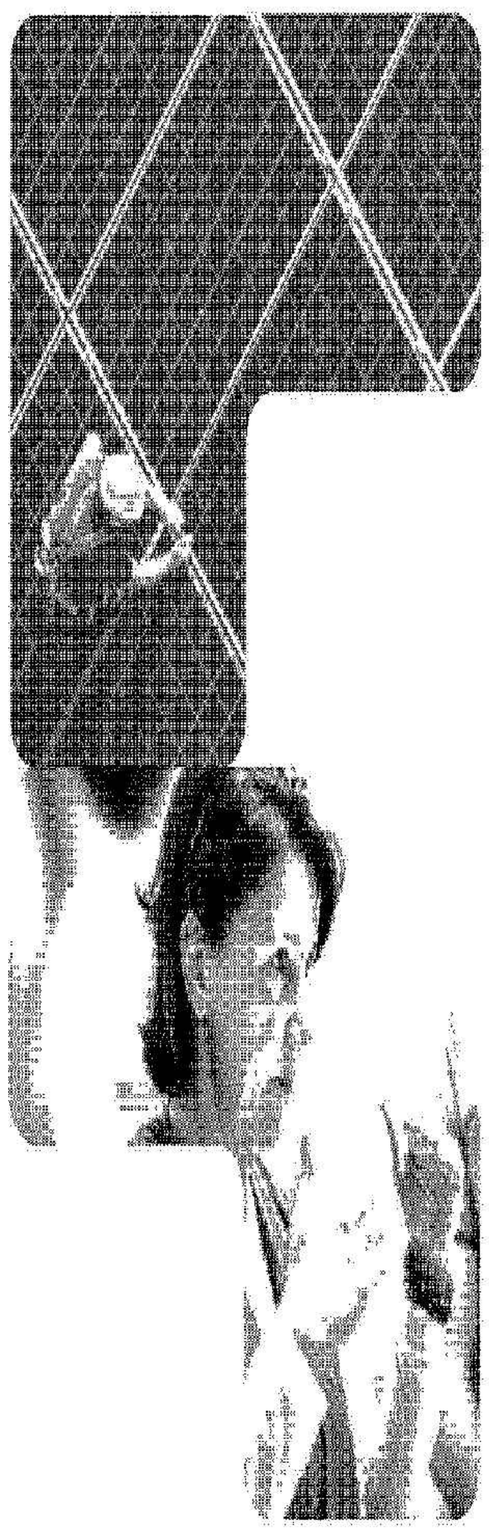
Our leading ATIC solutions are mission critical for the world to operate safely. To become the most trusted partner for Quality Assurance, our Science-based TQA Experts always work to deliver end-to-end quality, safety and sustainability solutions that exceed customer expectations. This clearly sets us apart, meaning our clients can rely on us to always deliver rapid and accurate insight feedback.

Our TQA value proposition

Intertek's innovation-led, end-to-end value proposition helps organisations to mitigate risk at every stage and operate safely, effectively and with complete peace of mind in a complex world.







Customer promise

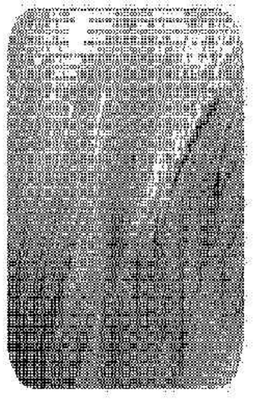
Total Quality Assurance expertise delivered consistently with precision, pace and passion, enabling our customers to power ahead safely.

We underpin this commitment with thousands of customer interviews every month, ensuring we understand their priorities and continuously invest in the mission-critical innovation they need.

Where we operate

Five divisions, one focus – to drive amazing growth in high-margin sectors

To reflect the value creation drivers identified in the Intertek AAA differentiated growth strategy, we have enhanced our segmental disclosures and are reporting our revenue, operating profit and margin in five divisions.





Consumer Products

Read more on page 26

Revenue
£935.8m

Adjusted operating profit
£246.8m

Adjusted operating margin
26.4%

Percentage of Group revenue
28%

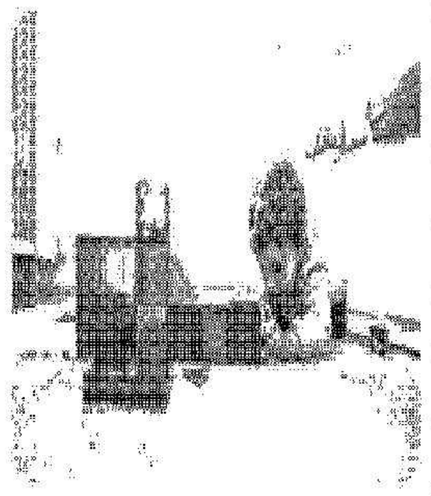
Our Consumer Products division focuses on the ATIC solutions we offer to our clients to develop and sell better, safer, and more sustainable products.

Global Business Units

- Softlines
- Hardlines
- Electrical & Connected World
- Government & Trade Services

Structural growth drivers

- Growth in brands, SKUs & e-commerce
- Regulation
- Sustainability
- Technology
- Growing middle classes



Corporate Assurance

Read more on page 40

Revenue
£477.5m

Adjusted operating profit
£109.4m

Adjusted operating margin
22.9%

Percentage of Group revenue
14%

Our Corporate Assurance division focuses on the industry agnostic Assurance solutions we offer to our clients to make their value chains more sustainable and more resilient.

Global Business Units

- Business Assurance
- Assuris

Structural growth drivers

- Sustainability
- Supply chain resilience
- Enterprise cyber-security
- People Assurance
- Regulatory Assurance



Health and Safety

Read more on page 43

Revenue
£326.3m

Adjusted operating profit
£43.2m

Adjusted operating margin
13.2%

Percentage of Group revenue
10%

Our Health and Safety division focuses on the ATIC solutions we offer to our clients to make sure we all enjoy a healthier and safer life.

Global Business Units

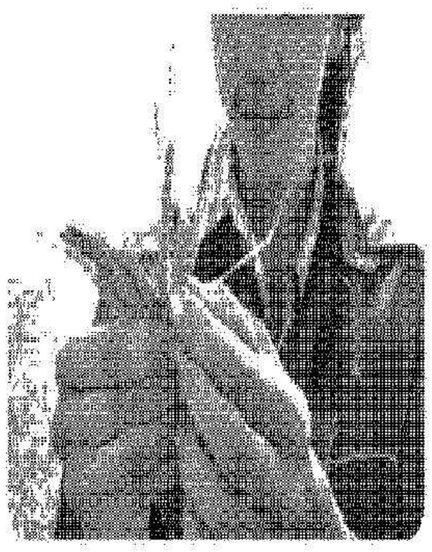
AgriWorld

Food

Chemicals & Pharma

Structural growth drivers

- Healthier foods
- Growing populations
- Sustainable food sourcing
- Regulations
- New molecules



Industry and Infrastructure

Read more on page 46

Revenue
£860.5m

Adjusted operating profit
£86.1m

Adjusted operating margin
10.0%

Percentage of Group revenue
26%

Our Industry and Infrastructure division focuses on the ATIC solutions our clients need to develop and build a better, safer and greener infrastructure.

Global Business Units

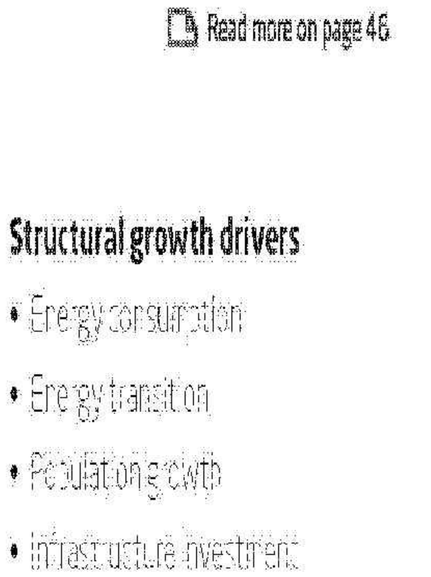
Industry Services

Minerals

Building & Construction

Structural growth drivers

- Energy consumption
- Energy transition
- Population growth
- Infrastructure investment
- Greener buildings



World of Energy

Read more on page 49

Revenue
£728.6m

Adjusted operating profit
£65.6m

Adjusted operating margin
9.0%

Percentage of Group revenue
22%

Our World of Energy division focuses on the ATIC solutions we offer to our clients to develop better and greener fuels as well as renewables.

Global Business Units

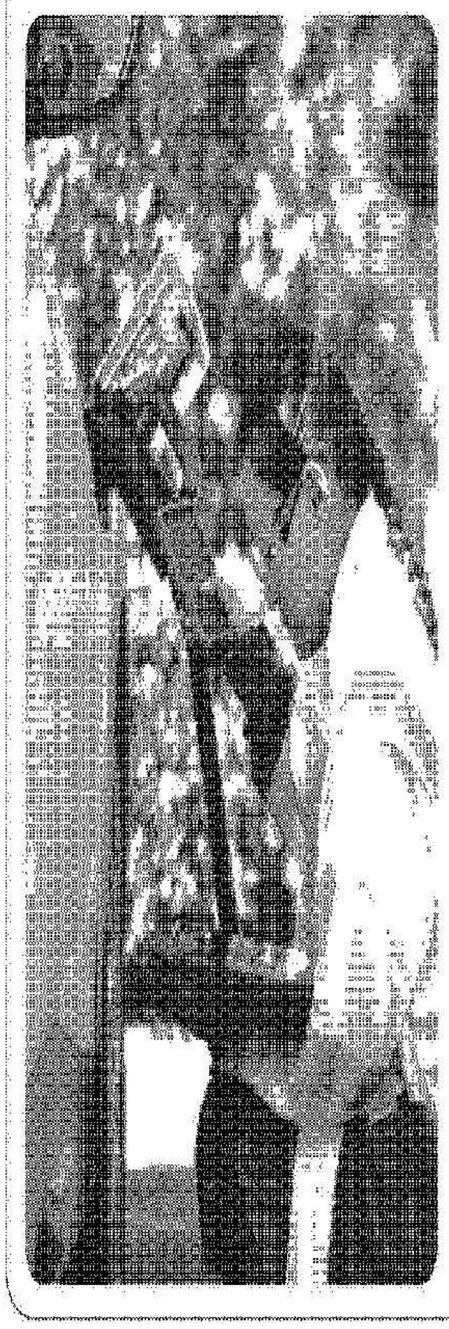
Caleb Brett

Transportation Technologies

Clean Energy Associates

Structural growth drivers

- Renewable energy
- Energy consumption
- Population growth/social mobility
- EV/cycle
- Greener fuels



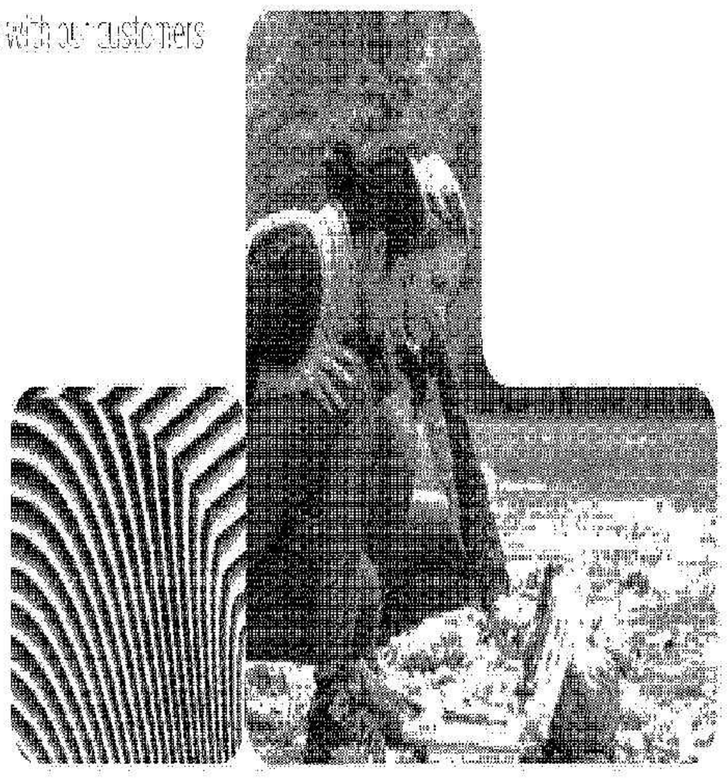
How we do it

As the world becomes more complex and interconnected, our customers face increased risks to quality, safety and sustainability.

As the global leader in Risk-based Quality Assurance, we are uniquely positioned to help customers gain an advantage by mitigating risk. We enable them to grow by building trusted relationships, listening to their needs, developing insights and using our data-science to create amazing, innovative Total Quality Assurance solutions that make the world better, safer and more sustainable.

But it's not just what we do that makes us unique. The way in which we do it and how we engage with our customers also have a powerful positive impact. Our expertise is guided by science and delivered with an unwavering commitment to give our clients an Amazing ATIC Advantage. The interviews we carry out every month through our Net Promoter Score programme, measure the percentage of customers likely to recommend our services. This is an invaluable tool in helping us get to know our customers, understand their evolving needs and ensure we deliver an unrivalled service at every interaction.

Every one of our 44,000 employees in our global network, based in more than 100 countries, works hard to understand the challenges our customers face. Then, by working in close partnership with one another, we can collectively focus on making the world amazing, together.



Our global network



1,000+
Laboratories and offices

3,000
Auditors

150,000+
Audits

44,000
Employees

100+
Countries

100+
Languages

Our Science-based TQA experts provide clients with innovative ATIC solutions in our industry-focused Centres of Excellence.

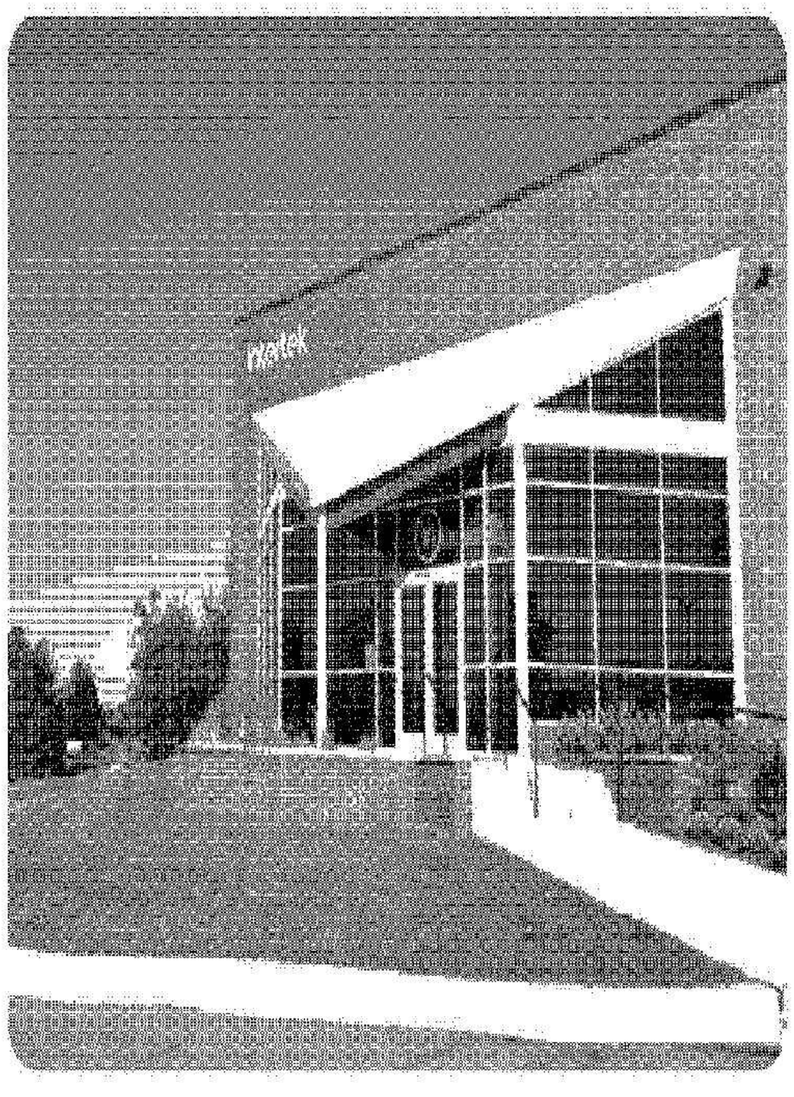
Our Centres of Excellence

Electrification Centre of Excellence in Plymouth, US: Supporting the transition towards electric mobility

What it is: Strategically located near Detroit in the epicentre of the automotive industry, our Electrification Centre of Excellence in Plymouth, Michigan, offers some of the most extensive testing capabilities in North America for electric vehicle batteries and supply equipment. Through science-based Total Quality Assurance solutions, this facility plays a crucial role in supporting manufacturers in the transition to greener transport.

Customer benefit: With sales of electric vehicles growing rapidly, our Electrification Centre of Excellence helps meet the automotive industry's increasing need for regulatory support and safety and validation testing. As electrification technologies continue to advance, the facility will support the safety, performance and functionality of electric vehicles, battery packs, charging systems and their related components.

Visit: Intertek.com/automotive/detroit



Battery Xcellence Centre Supporting sustainable energy solutions worldwide



What it is: Our new 'Battery Xcellence Centre' in Mestre, Italy, features the latest technologies for testing battery and energy storage systems, along with unrivalled industry expertise. With equipment including battery cyclers, climatic and salt-spray chambers, anti-fire containers and an altitude test chamber, the centre meets the testing needs for transportation and storage safety, functional safety, and performance for a wide range of cells and battery packs. This state-of-the-art facility in Italy joins our global network of specialist centres strategically located in key markets including the USA, China, Taiwan, India, Hong Kong and Europe.

Customer benefit: On the road to net zero, energy storage is increasingly critical, and this new facility helps customers in Italy and the South Europe region navigate the rapidly evolving regulatory environment for batteries and battery-operated products. Our Italian team will support businesses across a range of sectors - including automotive, transportation, energy and consumer goods - in taking their products from design to compliance evaluation and global market access.

Visit: Intertek.com/batteries

Electric Vehicle ('EV') Centre of Excellence in Milton Keynes, UK

Our EV Centre of Excellence testing facility in the UK supports manufacturers to develop next-generation electric propulsion systems, from high-speed motor testing to full vehicle validation capabilities. Our global network of automotive testing facilities can support manufacturers and suppliers with a wide portfolio of bespoke solutions and capabilities, such as engine and hybrid testing, EV fluids, and fuel, additive and lubricant testing.

Maison Centre of Excellence in Florence, Italy

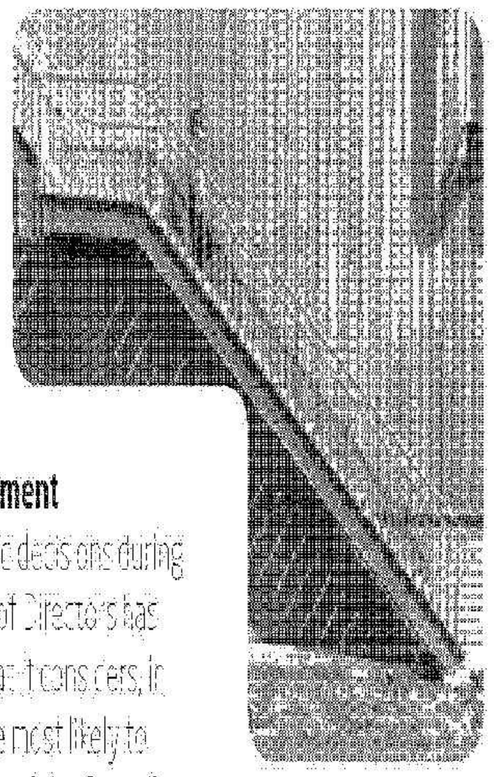
Based in Lastra a Signa, the heart of Italy's garment manufacturing district, Intertek's Maison Centre of Excellence is our innovative experiential space and adjacent world-class lab where science meets luxury. Bringing together - virtually or face to face - our industry experts, forward-thinking luxury and fashion brands, industry leaders, academics and a host of textile industry participants to collaborate and take bold new ideas and turn them into reality.

Minerals Global Centre of Excellence in Perth, Western Australia

A technology and innovation centre with a focus on automation and sustainability to provide our Minerals clients with faster, safer, higher quality, and more efficient analytical solutions. Located in Perth Australia, a key hub for the minerals and mining industry, this state-of-the-art lab gives our customers access to trusted expertise across the minerals supply chain.

How we create value

Our Purpose is to bring quality, safety and sustainability to life. Here, we explain how we do this for our Stakeholders.



Section 172 statement

In its discussions and decisions during the year, the Board of Directors has acted in the way that it considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to stakeholders and the matters set out in sub-sections 172(1) (a)-(f) of the 2006 Companies Act).

Details of how the Board has engaged with stakeholders and how it has had regard to their interests is set out in Book two.

Section 172 is set out on pages 56-61 in Book two

People



We create amazing opportunities for our 44,000 people to thrive, always striving to offer the best customer service to our clients.

Why they are important to us

Our people are our most valuable asset and are critical to our success. Customer-centric and passionate about what they do, they deliver sustainable value through unmatched expertise and quality of work for our customers every day.

How we engage

We create a high-performance, growth-oriented, inclusive and caring culture with clear, transparent communication and regular recognition, in which each colleague has a personal growth plan.

How they have benefitted in 2023

- Launch of Champions engagement programme
- Consistent performance management approach, talent development and growth planning
- 'LEAN Leadership' development events and 'LEAN Coaching' for executives
- Training sessions on diversity, equity and inclusion through our MCS AC programme
- Enriched extensive learning and development material through Lucie, our global Learning Management System
- Engaging employee communication channels

Customers



We support 400,000+ clients with innovative solutions that enable them to operate with higher standards on quality, safety and sustainability in each part of their value chain.

Why they are important to us

Our customers are at the centre of everything we do, and delivering the highest standards of customer service is a crucial aspect of becoming the world's most trusted TQA partner.

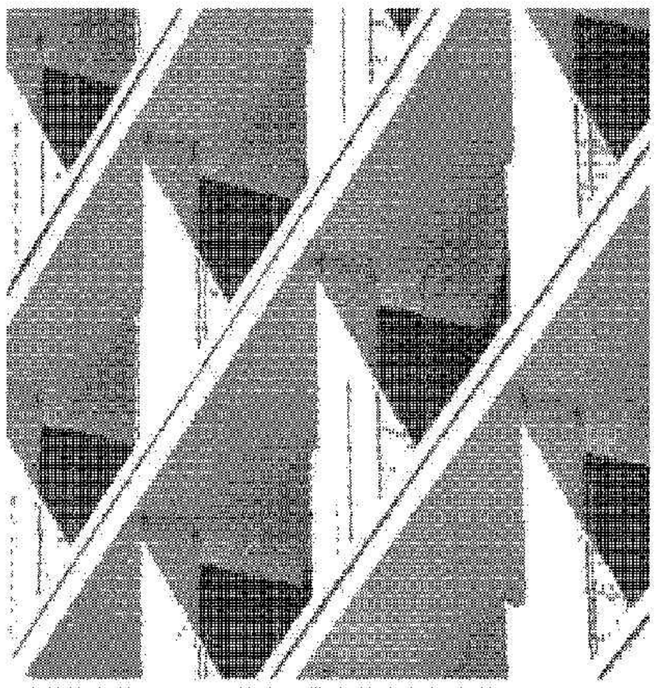
How we engage

We continuously engage and build our relationships with customers, and closely analyse our NPS data.

How they have benefitted in 2023

- Communication, partnership and 24/7 support
- Refreshed Intertek.com to provide best-in-class digital customer experience
- Fast development of innovative Risk-based Quality Assurance solutions
- Training and webinars from all business lines, covering all industries
- Digital customer portals for improved efficiency, productivity and visibility
- Digital directories providing our clients' customers with access to product and supply chain information

Investors



We operate a high-quality earnings model with a proven track record of sustainable value creation over the long-term.

Why they are important to us

Delivering for our investors drives our ongoing success, enabling us to deliver for all stakeholders today and tomorrow.

How we engage

We engage with existing and potential investors and sell-side analysts through regular trading updates, investor conferences and roadshows throughout the year.

How they have benefitted in 2023

- Stock exchange announcements, including financial results
- Investor roadshows and participation in investor conferences
- May 2023 Capital Markets Event
- Meetings and calls
- Annual General Meeting
- Annual Report, ESG Reporting Index
- Shareholder information on intertek.com
- Improved investor section on intertek.com

Communities



We support and enhance our communities and the environment across our global network of state-of-the-art operations in more than 100 countries.

Why they are important to us

Our businesses and people are part of the communities in which we work and are dedicated to supporting organisations and initiatives that improve the environment, and the lives of local people. We are a force for good, close to home, that makes the world amazing for everyone.

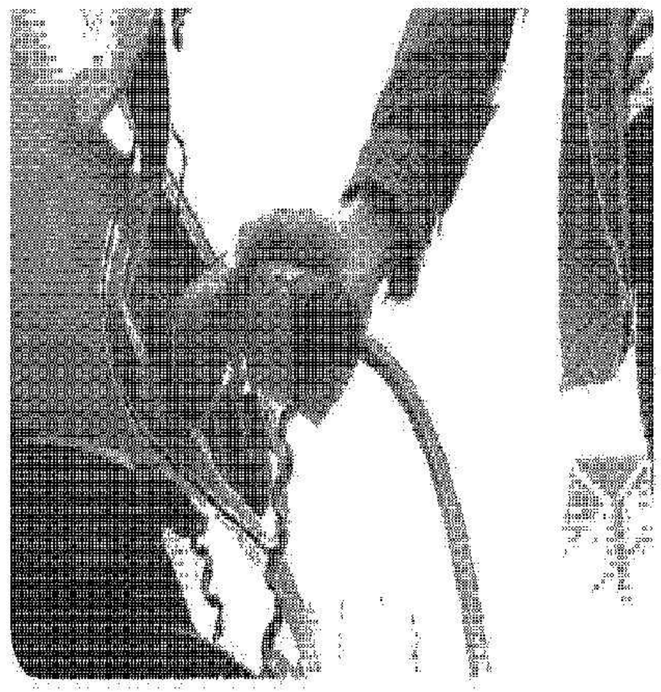
How we engage

Our businesses regularly engage with and contribute to our communities, and many colleagues support local and charitable causes that reflect the diversity of our communities and people.

How they have benefitted in 2023

- Support for and partnerships with charities and NGOs
- Focused activities to improve local communities and environments
- BBEB.com platform to share impactful stories and inspire positive change in the world

Governments and regulators



Governments and regulators expect compliance with all global, regional and local regulation, responsible business practices and collaboration on the transition to net zero.

Why they are important to us

'Doing Business the Right Way' is part of who we are. As a responsible business, we are dedicated to engaging positively with governments and regulators to support our communities and comply with global, regional and local regulations.

How we engage

We interact with trade associations and governmental authorities to provide input into industry and regulatory improvements in product safety, quality, sustainability and risk assurance. Interactions with governments, governmental authorities and regulators are reviewed by our Group Legal & Risk functions to ensure we fully comply with all laws and regulations.

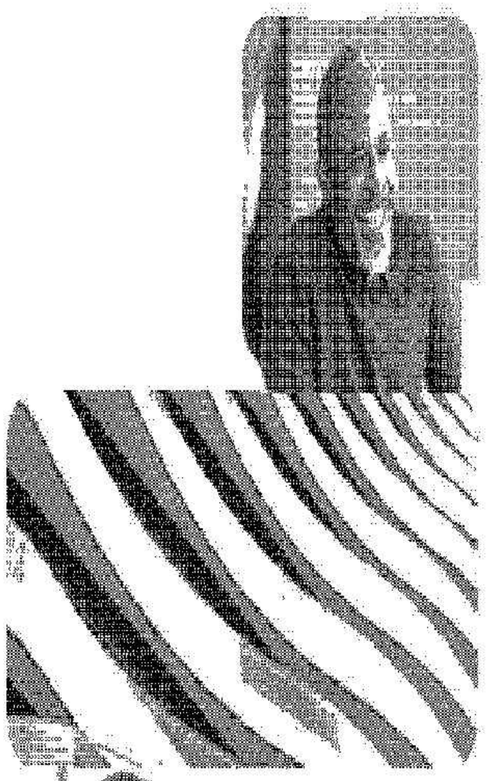
How they have benefitted in 2023

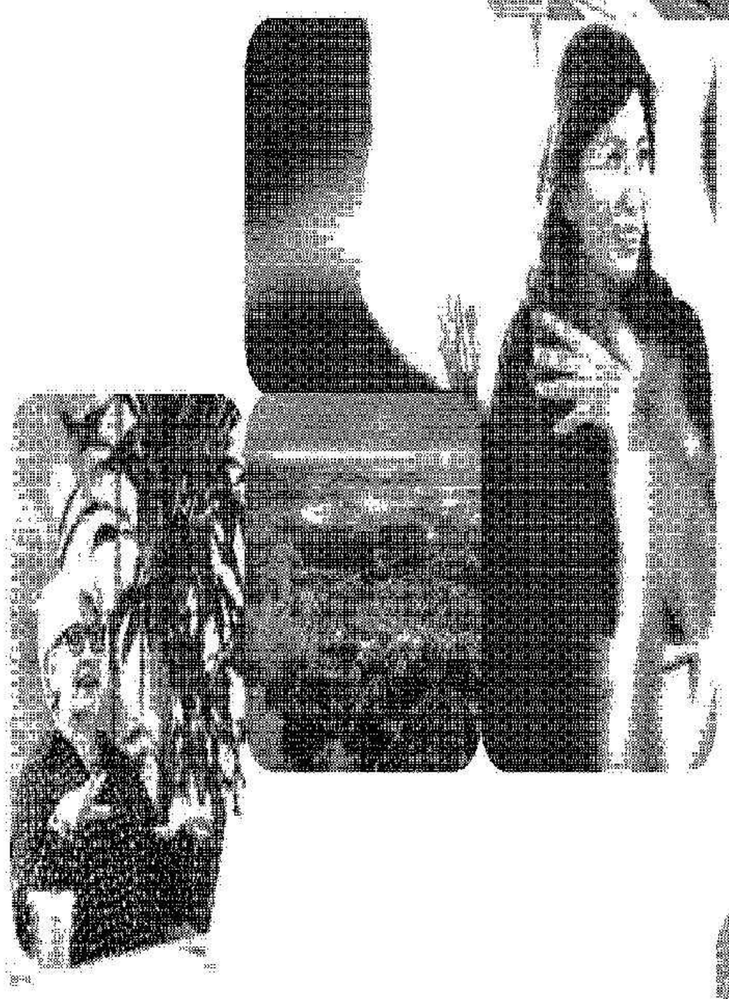
- Our businesses' economic and tax contribution to governments and communities supports the basic infrastructure of society

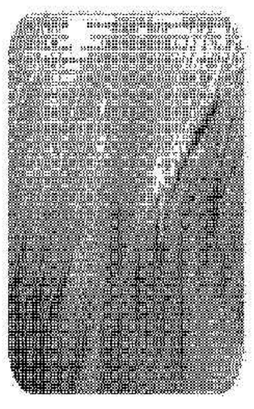
Key performance indicators

Strong 2023 performance in revenue, margin, EPS, cash and ROIC

Disciplined performance management focused on margin accretive revenue growth with strong cash conversion and capital allocation to drive strong returns on invested capital







Financial

The Group uses a variety of key performance indicators ('KPIs') to monitor performance and measure the financial impact of the Group's strategy. Where applicable, KPIs are based on adjusted measures in order to provide a meaningful and consistent year-on-year comparison. An explanation and reconciliation of statutory to adjusted performance measures is given on page 33. A glossary of performance measures is provided in Book three, page 64.

Key

Adjusted actual rates	2023 Adjusted
Adjusted constant rates	2022 Adjusted
Statutory actual rates	Statutory

1 Revenue, adjusted operating profit and ROIC are recalculated using 2022 exchange rates to form the basis for Executive Director remuneration as described in more detail in Book two, page 92.

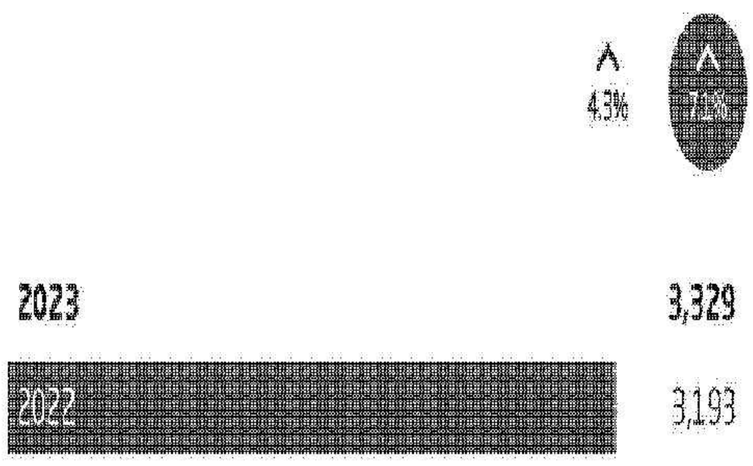
2 Adjusted operating profit, adjusted operating margin, adjusted cash flow from operations, adjusted free cash flow and adjusted diluted earnings per share are stated before Separately Disclosed Items, which are described on page 32. There is no difference between adjusted and statutory revenue.

3 Dividend per share is based on the interim dividend of 37.7p (2022: 34.2p) plus the proposed final dividend of 74.0p (2022: 71.6p).

4 2022 ROIC has been prepared using 2023 average exchange rates for adjusted operating profit and adjusted tax, and year-end 2023 exchange rates for invested capital. 2022 ROIC at actual rates was 18.6%.

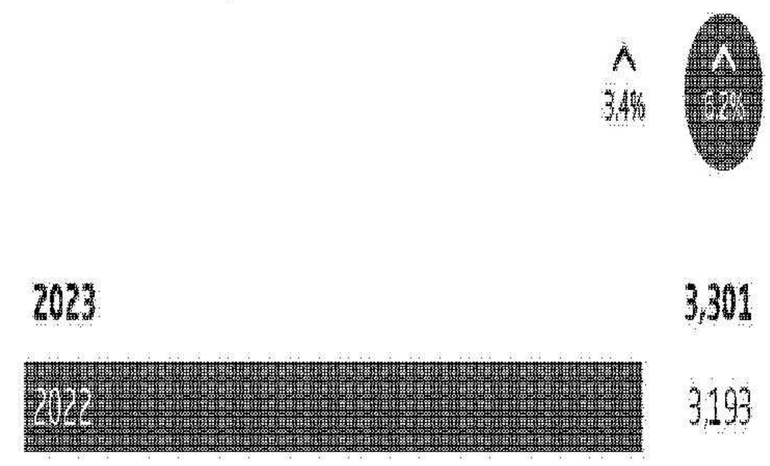
Revenue[1] (£m)

Revenue growth measures how well the Group is expanding its business and includes currency impacts.



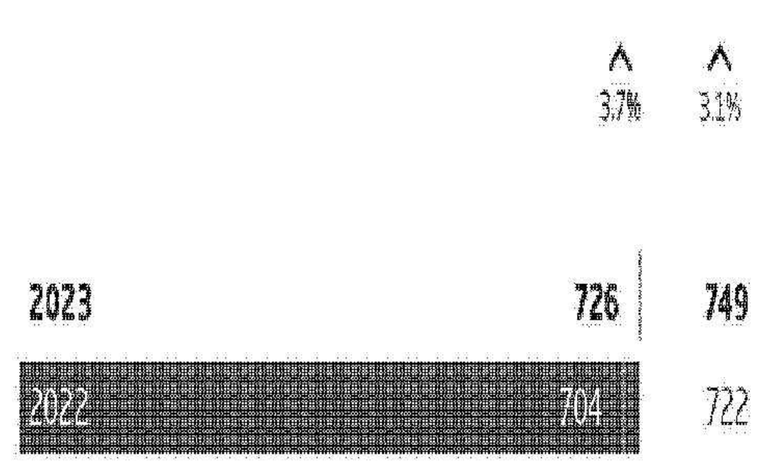
Like-for-like revenue (£m)

Revenue growth, excluding acquisitions following their 12-month anniversary of ownership and excluding the historical contribution of any business disposals/closures excluding acquisitions and disposals.



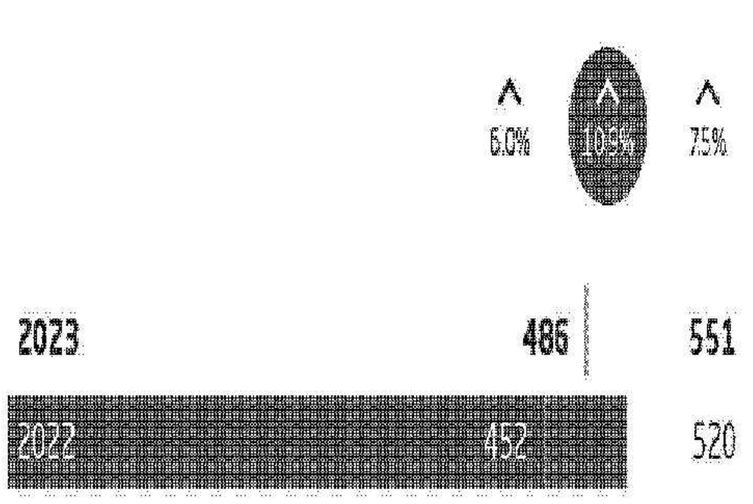
Cash flow from operations[2] (£m)

Shows the ability of the Group to turn profit into cash.



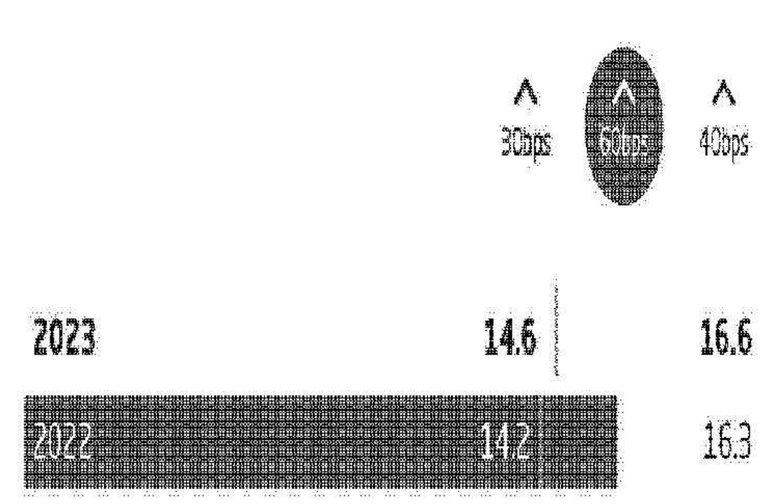
Operating profit[1,2] (£m)

Measures profitability of the Group and includes currency impacts.



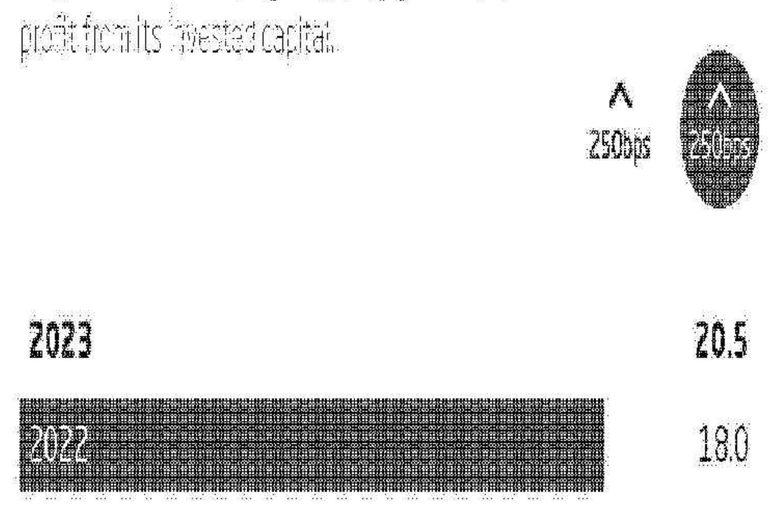
Operating margin[1,2] (%)

Measures profitability as a proportion of revenue.



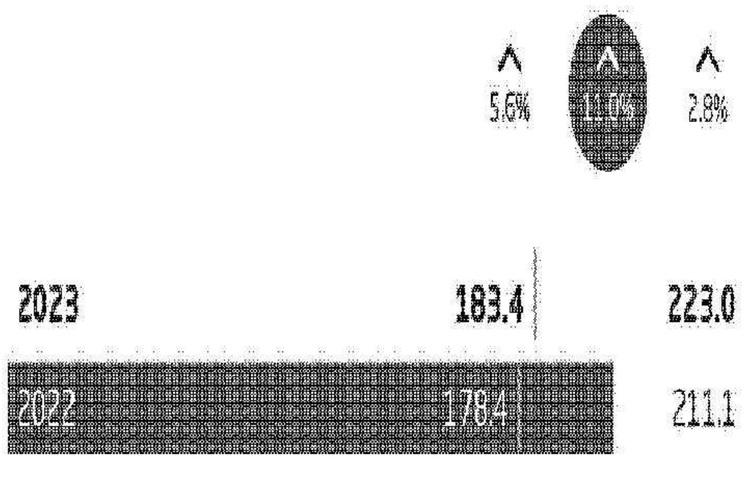
Return on invested capital at constant rates[1,4] (%)

Measures how effectively the Group generates profit from its invested capital.



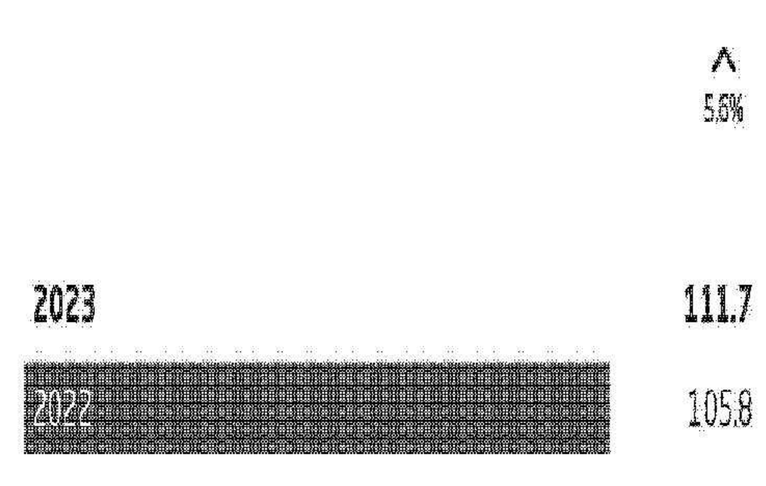
Diluted earnings per share[2] (pence)

A key measure of value creation for the Board and for shareholders.



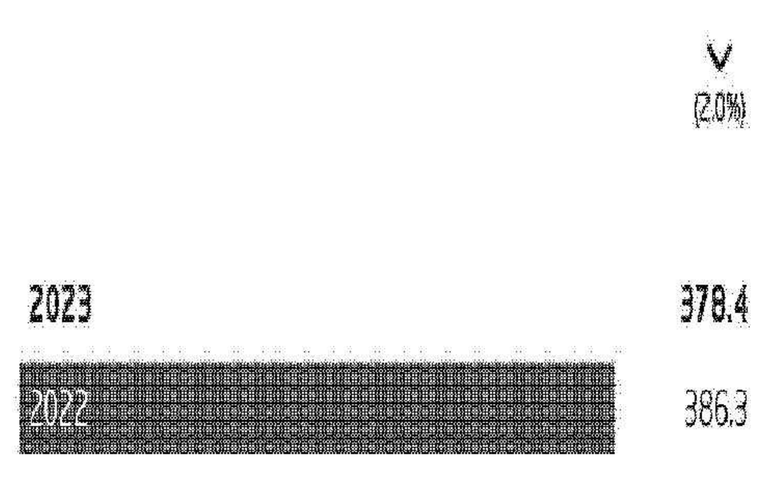
Dividend per share[3] (pence)

Measures returns provided to shareholders.



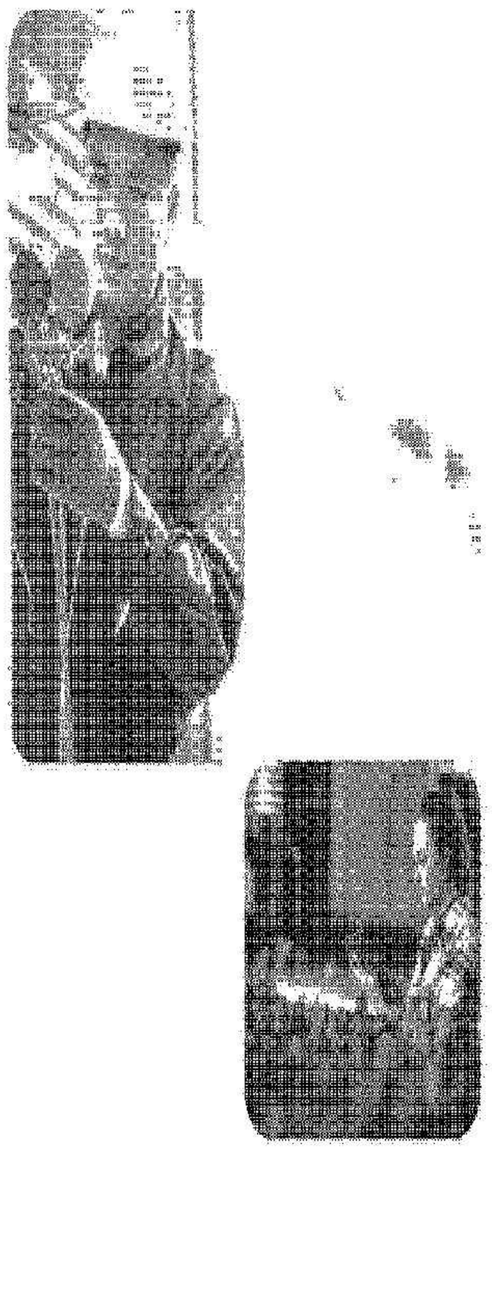
Adjusted free cash flow[2] (£m)

Measures the cash available to shareholders.



Non-financial

We measure our success by tracking both non-financial and financial key performance indicators that reflect our strategic priorities. We continue to review the sustainability areas that are most material and relevant to our stakeholders and have set ourselves targets in those areas that are aligned to our corporate strategy.



Health & safety

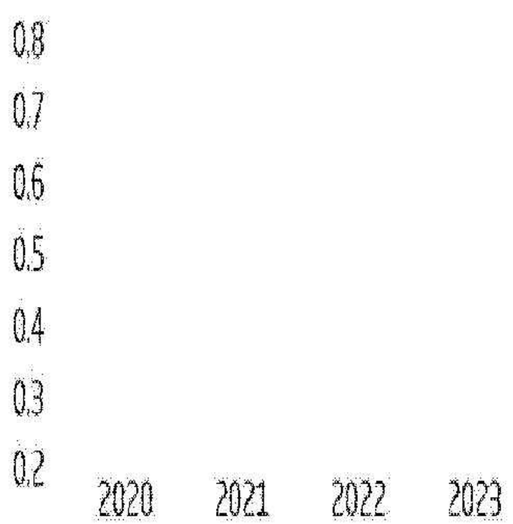
Total Recordable Incident Rate ('TRIR')

Recordable incidents include medical treatment incidents, lost time incidents and fatalities per 200,000 hours worked.

Why we measure it

A reduction in incidents is an important measure of the effectiveness of our safety culture. It also lowers rates of absenteeism and costs associated with work-related injuries and illnesses.

Total Recordable Incident Rate



Target

TRIR of less than 0.5 per 200,000 hours worked.

Customer satisfaction

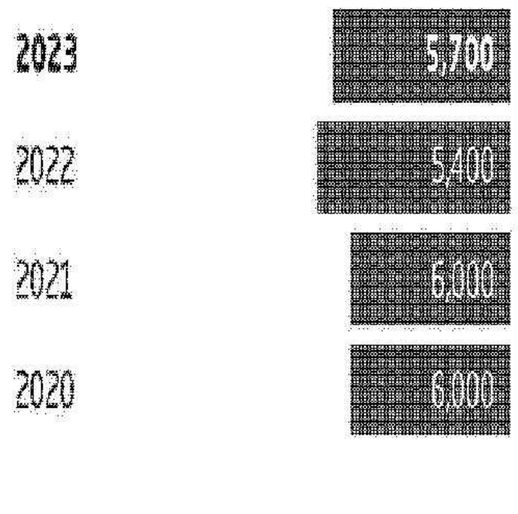
Customer focus

Average number of Net Promoter Score (NPS) interviews carried out each month.

Why we measure it

Customers are our priority. Since 2015, we have used the NPS process to listen to our customers. These insights give us a deep understanding of what our customers need and want, fuelling our innovations.

Average NPS interviews per month



Target

We will continue to aim to conduct at least 6,000 NPS interviews per month.

1. Eligible employees include those with access to the LUCE training platform and those seeking compliance training face to face. New joiners complete training throughout the year as part of their induction.

Environment

Operational emissions

With the adoption of our new year-term absolute emissions reduction targets, we now measure our environmental performance against this. Operational emissions comprise our scope 1, scope 2 and scope 3 (business travel and employee commuting).

More from page 26 in Book two

Why we measure it

We measure our carbon emissions to reduce our impact on the environment and increase operational efficiency. We track both location-based and market-based scope 2 emissions.

Operational emissions (in tCO_2e)



Target

2030: Reduce absolute scope 1, scope 2 and scope 3 (business travel and employee commuting) by 50% vs 2019 baseline.

Employees

Voluntary permanent employee turnover and employee engagement

Voluntary permanent leavers are employees who choose to leave the Group themselves. This does not include employees on a fixed-term contract.

Intertek ATIC Engagement Index – based on the key drivers of sustainable value creation and which measures engagement on a monthly basis in every operation with the following metrics: Net Promoter Score, Customer Retention, Quality, Voluntary Permanent Employee Turnover and Total Recordable Incident Rate.

Why we measure it

Ensuring employees are engaged is essential to talent retention and we measure and monitor this closely at a global and local level through our voluntary turnover rate.

Employee voluntary turnover and Intertek ATIC Engagement index

Key financials	2020	2021	2022	2023
Employee voluntary turnover (% of permanent employees)	9%	13%	14%	12.3%
Intertek ATIC Engagement index score	89	90	90	87

Target

We aim to keep our voluntary permanent turnover rate below 15% and increase our Intertek ATIC Engagement Index to 90.

Diversity, equity and inclusion

Gender balance

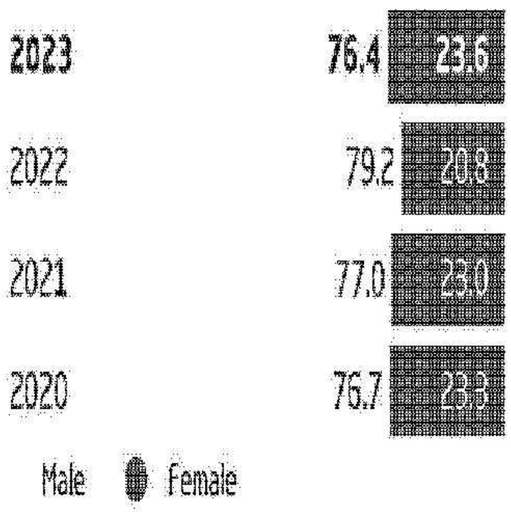
Percentage of women in senior management roles (Group Executive Committee and their direct reports).

More from page 10 in Book two

Why we measure it

We promote diversity in all its forms, including gender, age, sexual orientation and disability, as well as having an ethnic and social make-up that reflects broader society. Achieving better gender balance is a driver of progress.

Women in senior management (%)



Target

2025: We aim to increase the proportion of women in senior leadership roles to 30%.

Compliance

Compliance training

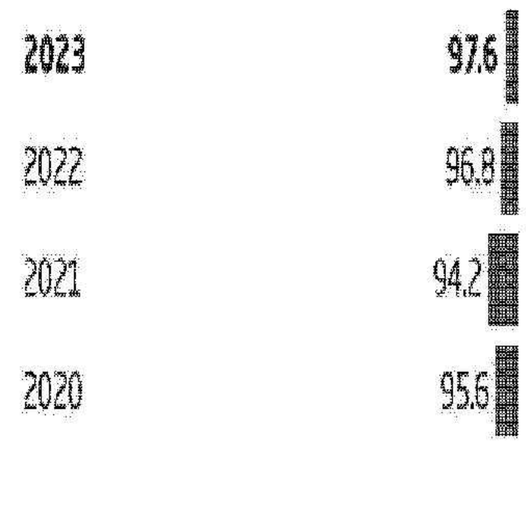
Completion of annual compliance training by eligible employees[1] (or line or face to face, where available) during the training window.

More from page 40 in Book two

Why we measure it

Our commitment to the highest standards of integrity and professional ethics is embedded in the Group's culture through the integrity principles set out in our Code of Ethics. Every year, to support continuing understanding in this area, our people are required to complete our comprehensive training course.

Training completion by eligible employees[1] (%)

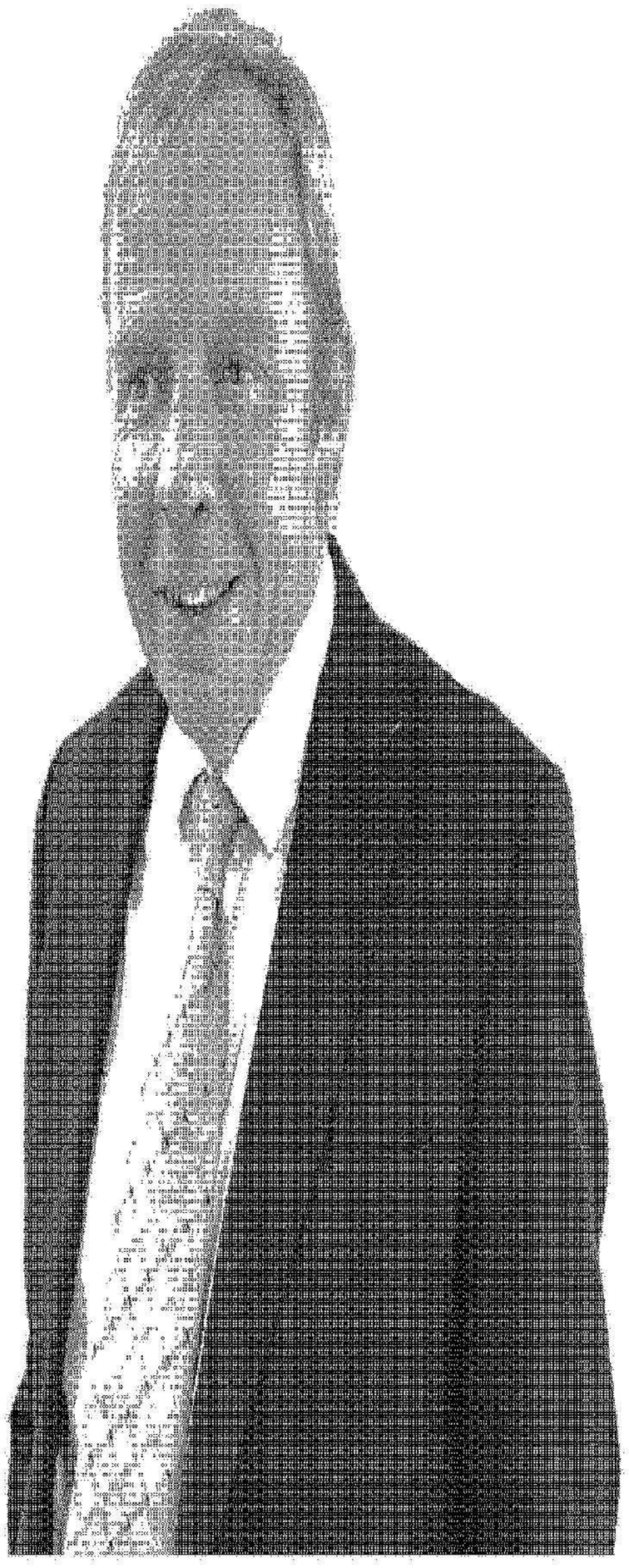


Target

We aim to achieve 100% completion of our annual compliance training by eligible employees.

Financial review

Intertek's AAA differentiated growth strategy is delivering earnings growth and strong cash flow



Our proven high-quality earnings model and daily cash discipline have delivered earnings growth and an all-time high adjusted operating cash flow, driving a reduction in net debt, negative working capital and a strong balance sheet.

Colm Deasy
Chief Financial Officer

Financial highlights

£3,329m
Revenue up
4.3% 7.1%

£486m
Statutory operating profit up
7.5% 13.0%

£551m
Adjusted operating profit up
6.0% 10.9%

14.6%
Statutory operating margin up
40bps 80bps

16.6%
Adjusted operating margin up
30bps 60bps

183.4p
Statutory diluted EPS up
2.8% 9.2%

111.7p
Dividend per share up
5.6%

Negative
Working capital

£378m
Adjusted free cash flow down
(2.0%)

20.5%
Return on Invested Capital up
250bps 250bps

• **Actual rates**
• Constant rates

Consolidated income statement commentary

Total reported Group revenue increased by 4.3%, with 0.9% growth contributed by acquisitions, a "like-for-like" ("LFL") revenue increase of 6.2% and a decrease of 280bps from foreign exchange, reflecting sterling appreciation against most of the Group's trading currencies.

The Group's LFL revenue at constant rates consisted of an increase of 1.3% in Consumer Products, 9.0% in Corporate Assurance, 7.0% in Health and Safety, 7.9% in Industry and Infrastructure, and 8.7% in World of Energy.

We delivered an adjusted operating profit performance of £551.1m (2022: £526.1m), up 10.9% at constant rates and 6.0% at actual rates.

The Group's adjusted operating margin was 16.6% (2022: 16.6%), an increase of 60bps from the prior year at constant exchange rates and 30bps at actual rates.

The Group's statutory operating profit after Separately Disclosed Items ("SDIs") for the period was £486.2m (2022: £452.4m), up 13.0% at constant rates. The statutory margin was 14.6% (2022: 14.2%). The Group's statutory profit for the year after tax was £318.1m (2022: £306.8m).

Net financing costs

Adjusted net financing costs were £48.5m, an increase of £12.0m on 2022 resulting from a combination of higher interest expense and the impact of foreign exchange rates. This comprised £3.8m (2022: £2.2m) of finance income and £47.7m (2022: £34.1m) of finance expense. Statutory net financing costs of £63.9m (2022: £52.6m) includes £20.0m of costs (2022: £8.7m) relating to SDIs, predominantly driven by changes in the fair value of contingent consideration related to acquisitions.

Tax

The adjusted effective tax rate was 24.6%, a decrease of 1.7% on the prior year (2022: 26.3%). The tax charge, including the impact of SDIs, of £104.2m (2022: £113.0m), equates to an effective rate of 24.7% (2022: 26.9%). The decrease mainly driven by the geographical mix of profits. The cash tax on adjusted profit before tax was 23.5% (2022: 21.9%).

Earnings per share

Adjusted diluted earnings per share ("EPS") at actual exchange rates was 5.6% higher at 223.0p (2022: 211.1p). Diluted EPS after SDIs was 183.4p (2022: 178.4p) per share and basic EPS after SDIs was 184.4p (2022: 179.2p).

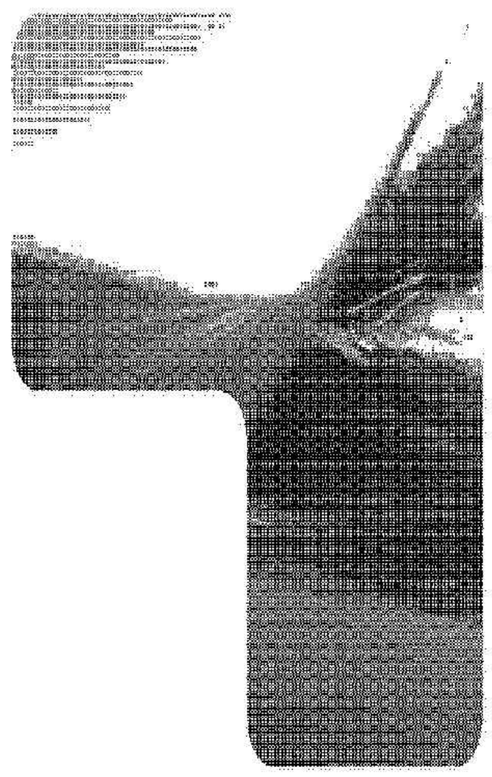
Results for the year

Key financials	2023 £m	2022 £m
Adjusted		
Revenue	**3,328.7**	3,192.9
Operating profit	**551.1**	526.1
Diluted EPS	**223.0p**	211.1p
Profit after tax	**382.4**	356.8
Cash flow from operations	**749.0**	722.0
Statutory		
Revenue	**3,328.7**	3,192.9
Operating profit	**486.2**	452.4
Diluted EPS	**183.4p**	178.4p
Profit after tax	**318.1**	306.8
Cash flow from operations	**725.9**	704.1
Dividend per share	**111.7p**	105.6p
Dividends paid in the year	**176.3**	170.6

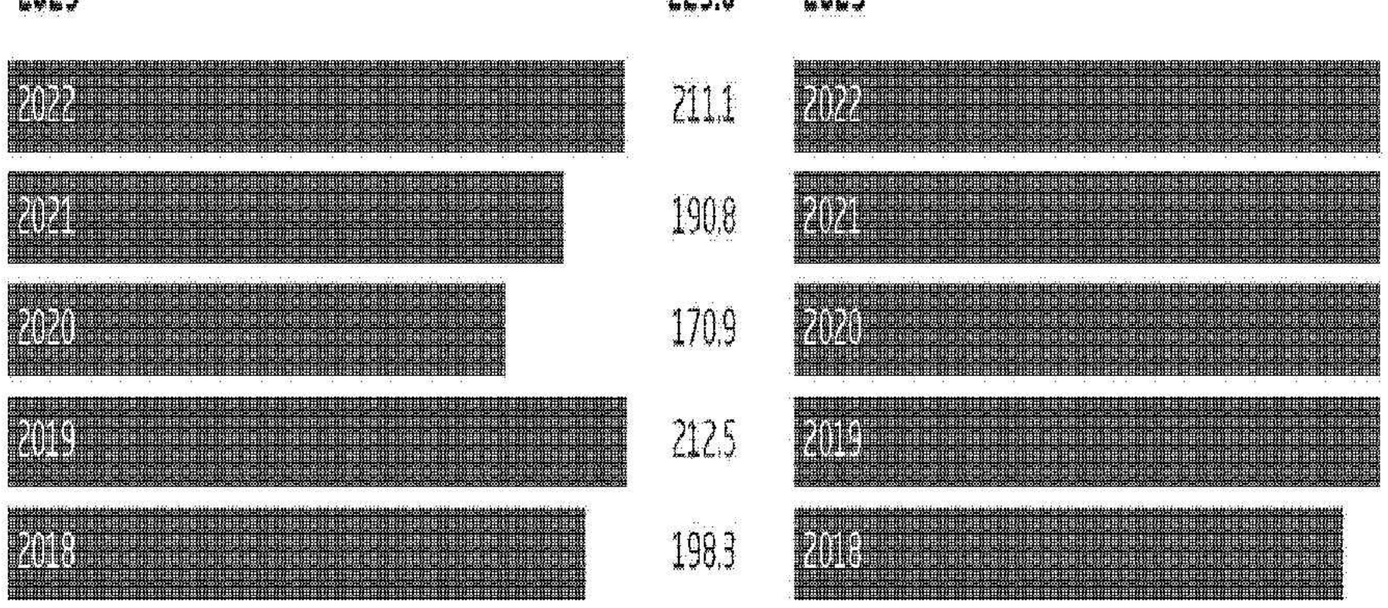
Dividend

Reflecting the Group's strong cash generation in 2023, the Board recommends a full year dividend of 111.7p per share, a year-on-year increase of 5.8%.

The full year dividend of 111.7p represents a total cost of £181.2m, or 50% of adjusted profit attributable to shareholders of the Group for 2023 (2022: £170.6m and 50%). The dividend is covered 2.0 times by earnings (2022: 2.0 times), based on adjusted diluted earnings per share divided by dividend per share.



Five-year performance - adjusted diluted EPS[1] (pence)



Dividend per share[2] (pence)

1. Presentation of results To provide readers with a clear and consistent presentation of the underlying operating performance of the Group's business, some figures discussed in this review are presented as adjusted, before SDIs (see note 3 to the financial statements on page 173). A reconciliation between adjusted and statutory performance measures is set out on the reverse. Figures before 1 January 2019 (when IFRS 16 was adopted) are on a IAS 17 basis.
2. Dividend per share for 2023 is based on the interim dividend paid of 37.6p (2022: 34.2p) plus the proposed final dividend of 74.0p (2022: 71.6p).
3. CAGR represents the compound annual growth rate from 2018 to 2023.

The underlying performance of the business, by division, is shown in the table below.

	Notes	Revenue 2023 £m	Revenue Change at 2023 actual rates %	Revenue Change at constant rates %	Adjusted operating profit 2023 £m	Adjusted operating profit Change at 2023 actual rates %	Adjusted operating profit Change at constant rates %
Consumer Products	2	**935.8**	(2.9)	1.3	**246.8**	(8.1)	(2.6)
Corporate Assurance	2	**477.5**	6.1	9.5	**109.4**	14.6	19.2
Health and Safety	2	**326.3**	7.9	9.1	**43.2**	6.2	9.4
Industry and Infrastructure	2	**860.5**	5.7	7.9	**86.1**	19.7	22.0
World of Energy	2	**728.6**	10.1	11.7	**65.6**	56.8	57.3
Group total		**3,328.7**	4.3	7.1	**551.1**	6.0	10.9
Net financing costs	14				**(43.9)**		
Adjusted profit before income tax					**507.2**	3.9	9.2
Adjusted income tax expense	8				**(124.8)**		
Adjusted profit for the year					**382.4**	6.3	11.7
Adjusted diluted EPS (pence)	7				**223.0p**	5.6	11.0

Acquisitions and investment

One of the key corporate goals of the Group's strategy is delivering an accretive, disciplined capital allocation policy.

As a result, the Group invests both organically and by acquiring or investing in complementary businesses to strengthen our portfolio in the locations demanded by clients. This approach enables the Group to focus on those existing businesses in countries with good growth and margin prospects where we have market-leading positions or to enter exciting new growth areas offering the latest technologies and Quality Assurance services.

Acquisitions

The Group completed two acquisitions in the year (2022: one) with cash consideration paid of £40.5m (2022: £55.9m), net of cash acquired of £5.3m (2022: £13.4m), and a further contingent consideration payable of £5.7m.

In March 2023, the Group acquired Controle Analitico Analises Ambientais Ltda ('Controle Analitico'), a leading provider of environmental analysis with a focus on water testing, based in Brazil.

In August 2023, the Group acquired PayerLync Holdings, Inc. ('PayerLync'), a leading SaaS-based platform, based in the USA.

In 2023, £2.7m (2022: £nil) was spent in relation to consideration for prior year acquisitions.

Organic investment

The Group invested £116.6m (2022: £116.5m) organically in laboratory expansions, new technologies (including software) and equipment and other facilities. This investment represented 3.5% of revenue (2022: 3.6%).

Pensions

The Group's pension moved to a net surplus of £17.0m (2022: £5.1m surplus) driven by periodic updates to our actuarial assumptions.

Separately Disclosed Items ('SDIs')

A number of items are separately disclosed in the financial statements as exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's business. Reconciliations of the statutory to adjusted measures are given overleaf.

Where applicable, these SDIs include amortisation of acquisition intangibles, impairment of goodwill and other assets, the profit or loss on disposals of businesses or other significant fixed assets, costs related to acquisition activity, the cost of any fundamental restructuring, the costs of any significant strategic projects, material claims and settlements, and unrealised market or fair value gains or losses on financial assets or liabilities, including contingent consideration.

Adjusted operating profit excludes the amortisation of acquired intangible assets, primarily customer relationships, as we do not believe that the amortisation charge in the income statement provides useful information about the cash costs of running our businesses as these assets will be supported and maintained by ongoing marketing and promotional expenditure, which is already reflected in operating costs. Amortisation of software, however, is reduced in adjusted operating profit as it is similar in nature to other capital expenditure.

The costs associated with our cost reduction programme are excluded from adjusted operating profit where they represent charges associated with operational streamlining, technology upgrades and related asset write-offs and are costs that are not expected to recur. The restructuring programme, which began in 2022, is expected to last up to five years. The treatment as SDIs is consistent with the disclosure of costs for similar restructuring and strategic programmes previously undertaken.

The impairment of goodwill and other assets that by their nature or size are not expected to recur, the profit and loss on disposals of businesses or other significant assets, and the costs associated with successful, active or aborted acquisitions are excluded from adjusted operating profit in order to provide useful information regarding the underlying performance of the Group's operations.

The SDIs charge for 2023 comprises amortisation of acquisition intangibles of £342m (2022: £348m), acquisition and integration costs relating to successful, active or aborted acquisitions of £8.3m (2022: £5.5m), and restructuring costs of £22.4m (2022: £27.4m).

Further information on SDIs is given in note 3 to the financial statements in Book three, page 11.

2023 reconciliation of statutory to adjusted performance measures

£m	Statutory	SDIs	Adjusted
Revenue	3,328.7	-	3,328.7
Operating profit	486.2	64.9	551.1
Operating margin (%)	14.6%	2.0%	16.6%
Net financing costs	(63.9)	20.0	(43.9)
Income tax expense	(104.2)	(20.6)	(124.8)
Profit for the year	318.1	64.3	382.4
Cash flow from operations	725.9	23.1	749.0
Basic EPS (pence)	184.4p	39.8p	224.2p
Diluted EPS (pence)	183.4p	39.6p	223.0p

2022 reconciliation of statutory to adjusted performance measures

£m	Statutory	SDIs	Adjusted
Revenue	3,192.9	-	3,192.9
Operating profit	452.4	67.7	520.1
Operating margin (%)	14.2%	2.1%	16.3%
Net financing costs	(32.6)	0.7	(31.9)
Income tax expense	(113.8)	(15.4)	(129.2)
Profit for the year	306.0	53.0	359.0
Cash flow from operations	704.1	17.9	722.0
Basic EPS (pence)	179.2p	32.8p	212.0p
Diluted EPS (pence)	178.4p	32.7p	211.1p

Key performance indicators

The Group uses a variety of key performance indicators (KPIs) to monitor the finance performance of the Group and its operating divisions. The specific metrics and associated definitions are disclosed on pages 26 and 27.

LFL revenue at constant currency is presented to show the Group's revenue excluding the effects of the change in the scope of the consolidation (acquisitions following their 12-month anniversary of ownership, and removes the historical contribution of any business disposals/closures) and removing the impact of currency translation from the Group's growth figures.

Like-for-like revenue at constant currency

	2023 £m	2022 £m	Change %
Reported revenue	3,328.7	3,192.9	4.3
less: Acquisitions/disposals revenue	(27.8)	-	
LFL revenue	3,300.9	3,192.9	3.4
Impact of foreign exchange movements	-	(83.9)	
LFL revenue at consistent currency	3,300.9	3,109.0	6.2

The rate of Return On Invested Capital (ROIC) reflects adjusted operating profit less adjusted taxes divided by invested capital, measures the efficiency of Group investments. This is a key measure to assess the efficiency of investment decisions and is also an important criterion in the decision-making process.

ROIC in 2023 of 20.5% compares to 18.0% in the prior year at constant exchange rates (2022: 18.8% at actual exchange rates).

Return On Invested Capital at constant currency

	2023 £m	2022 £m	Change %
Adjusted operating profit	**551.1**	497.0	10.9
less: Adjusted tax[1]	**(135.6)**	(130.7)	3.7
Adjusted profit after tax	**415.5**	366.3	13.4
Invested capital[2]	**2,023.1**	2,032.5	(0.5)
ROIC%	**20.5%**	18.0%	250bps

1. Calculated by applying the adjusted effective tax rate (2023: 24.6% 2022: 26.3%) to adjusted operating profit.
2. Net assets excluding tax balances, net financial debt and net pension liabilities.

Cash flow and net debt

Cash flow

The Group relies on a combination of debt and internal cash resources to fund its investment plans. One of the key metrics for measuring the ability of the business to generate cash is cash flow from operations. Due to the cash payments associated with the SDIs, and to provide a complete picture of the underlying performance of the Group, adjusted cash flow from operations is shown below to illustrate the cash generated by the Group.

Cash conversion

	2023 £m	2022 £m	Change %
Cash flow from operations	**725.9**	704.1	3.1
add back: Cash flow relating to SDIs	**23.1**	12.9	
Adjusted cash flow from operations	**749.0**	722.0	3.7
add back: Special contributions to pension schemes	**-**	20.0	-
Repayment of lease liability	**(77.8)**	(81.4)	(4.4)
Cash flow for cash conversion	**671.2**	642.6	4.5
Cash conversion %	**121.8%**	123.6%	(180bps)

Free cash flow reconciliation

	2023 £m	2022 £m
Cash flow from operations	**725.9**	704.1
less: Net capital expenditure	**(105.4)**	(112.3)
add back: Interest received	**3.5**	2.2
less: Interest paid	**(71.9)**	(37.5)
less: Income tax paid	**(119.0)**	(105.7)
less: Lease liabilities paid	**(77.8)**	(81.4)
Free cash flow	**355.3**	368.4
add back: SDI cash outflow	**23.1**	17.9
Adjusted free cash flow	**378.4**	386.3

Net debt

The Group ended the period in a strong financial position. Finance net debt was £610.6m, a decrease of £127.3m on 31 December 2022. The undrawn headroom on the Group's existing committed borrowing facilities at 31 December 2023 was £664.3m (2022: £707.3m) and cash and cash equivalents were £298.6m (2022: £320.7m), representing significant total liquidity.

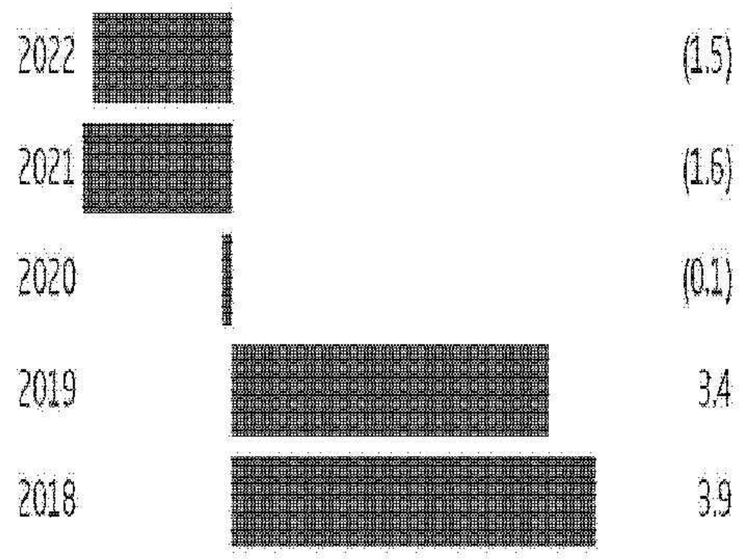
Total net debt, including the impact of the IFRS 16 lease liability, was £918.4m (2022: £1,060.1m).

The Group has a well-balanced loan portfolio to enable the funding of future growth opportunities with the maturity profile as shown overleaf.

Working capital

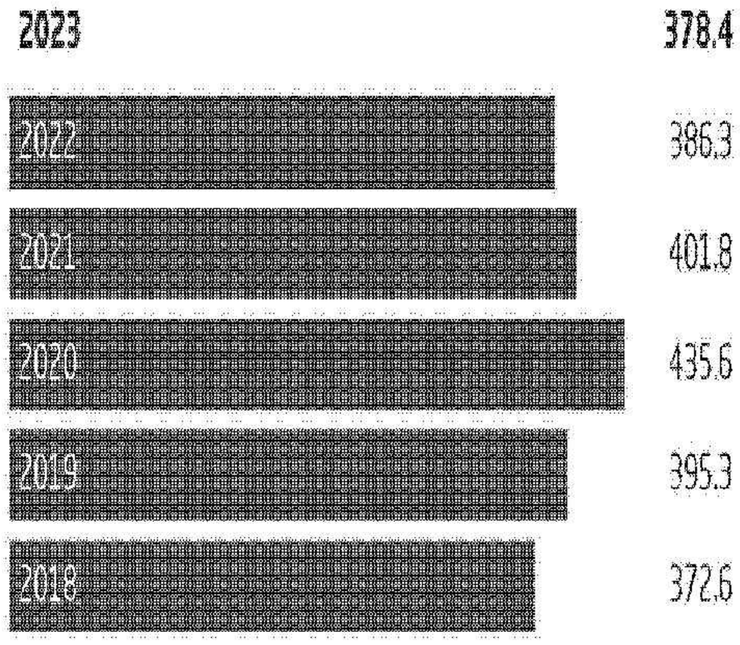
During 2023, we have continued our working capital focus and, through disciplined performance management, we have increased our negative working capital position to negative £776.8m (2022: negative £647.8m). Working capital has moved to (2.4%) of revenue, reflecting 90bps improvement compared to 2022.

Five year trend - working capital[1] as % of revenue



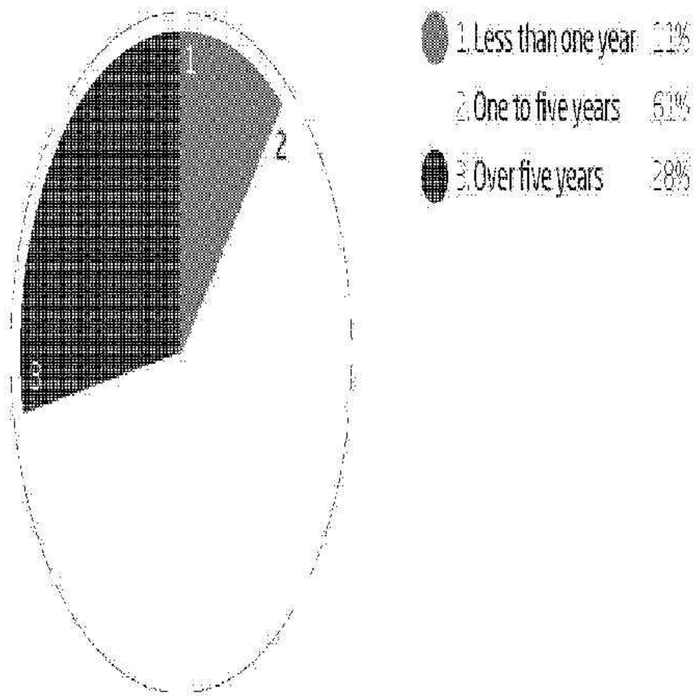
1. Working capital is defined under the consolidated statement of financial position within the financial statements in Book three, page 3.
2. Figures before 1 January 2019 (when IFRS 16 was adopted) are on an IAS 17 basis.

Adjusted free cash flow (£m)



1. CAGR represents the compound annual growth rate from 2018 to 2023

Borrowings by maturity profile
(At 31 December 2023)



Under existing facilities, the Group has available committed headroom of £664.3m at 31 December 2023 (2022: £767.3m). The components of net debt at 31 December 2023 are outlined below:

	1 January 2023 £m	Cash and non-cash movements £m	Exchange adjustments £m	31 December 2023 £m
Cash[1]	320.7	13.7	(35.8)	**298.6**
Borrowings[2]	(1,058.6)	87.5	61.9	**(909.2)**
Financial net debt	**(737.9)**	**101.2**	**26.1**	**(610.6)**
Lease liabilities[2]	(322.2)	(0.5)	14.9	**(307.8)**
Net debt	**(1,060.1)**	**100.7**	**41.0**	**(918.4)**

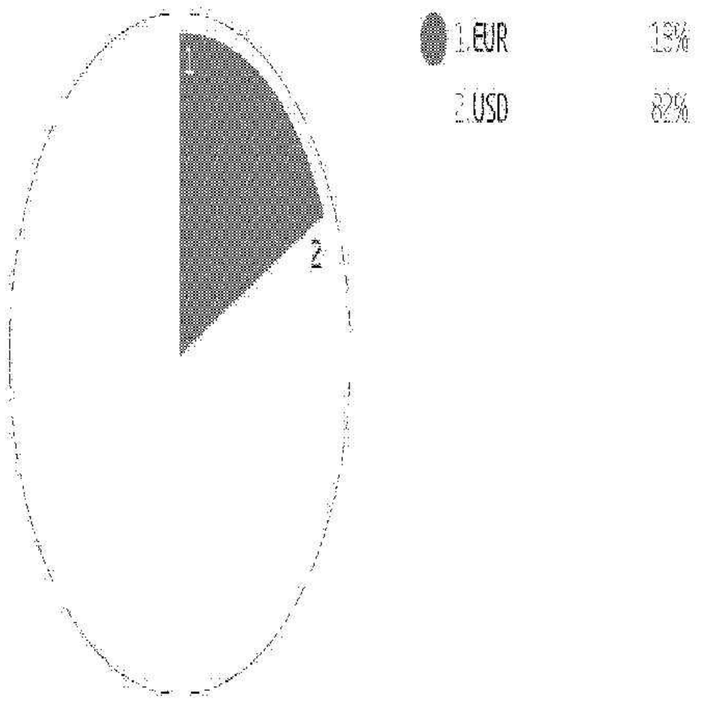
1. As disclosed in note 14 of the financial statements in Book three, page 27.
2. Borrowings include £1.5m of non-cash movements related to amortisation of facility fees (see note 14 of the financial statements in Book three, page 27). Lease liabilities include £7.8m of non-cash movements.

To ensure the Group is not exposed to income statement volatility in relation to foreign currency translation of its debt, the Group ensures that any foreign currency borrowings are matched to the value of its overseas assets in that currency (an 'effective' hedge).

The Group borrows primarily in US dollars, and any currency translation exposures on the borrowings are offset by the currency translation on the US dollar and US dollar-related overseas assets of the Group.

The composition of the Group's gross borrowings in 2023, analysed by currency, was as follows:

Borrowings by currency
(At 31 December 2023)



Foreign currency movements

The Group transacts in over 80 currencies across more than 100 countries, and revenue and profit are impacted by currency fluctuations. However, the diversification of the Group's revenue base provides a partial dilution to this exposure.

At constant rates, revenue grew 7.1% (actual rates 4.3%) and adjusted operating profit grew 10.9% (actual rates 6.0%).

The exchange rates used to translate the statement of financial position and the income statement into the Group's functional currency, sterling, for the five most material currencies used in the Group are shown as follows:

	Statement of financial position rates		Income statement rates	
Value of £1	**2023**	**2022**	**2023**	**2022**
US dollar	**1.28**	1.20	**1.24**	1.24
Euro	**1.15**	1.13	**1.15**	1.17
Chinese renminbi	**9.14**	8.45	**8.81**	8.31
Hong Kong dollar	**10.0**	9.37	**9.71**	9.68
Australian dollar	**1.87**	1.78	**1.87**	1.78

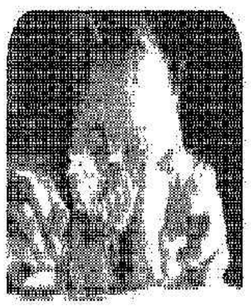
Significant accounting policies

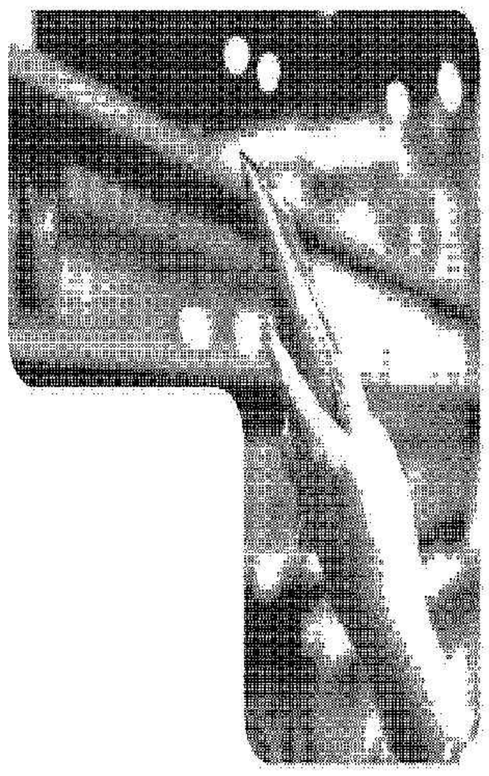
The consolidated financial statements in Book three are prepared in accordance with IFRS as adopted by the UK. Details of the Group's significant accounting policies are shown in note 1 to the financial statements in Book three, page 7.



Colm Deasy
Chief Financial Officer

Operating review





Consumer Products

Low-single digit LFL revenue growth

Revenue

£935.8m

Adjusted operating profit

£246.8m

Adjusted operating margin

26.4%

Percentage of Group revenue

28%

Intertek value proposition

Our Consumer Products division focuses on the ATIC solutions we offer to our clients to develop and sell better safer, and more sustainable products to their own clients. This division was 28% of our revenue in 2023 and includes the following business lines: Softlines, Hardlines, Electrical & Connected World and Government & Trade Services.

As a trusted partner to the world's leading retailers, manufacturers and distributors, the division supports a wide range of industries including textiles, footwear, toys, hardlines, home appliances, consumer electronics, information and communication technology, automotive, aerospace, lighting, building products, industrial and renewable energy products, and healthcare.

Strategy

Our TCA value proposition provides a systemic approach to support the Quality Assurance efforts of our Consumer Products-related customers in each of the areas of their operations. To do this we leverage our global network of accredited facilities and world-leading technical experts to help our clients meet high quality safety, regulatory and brand standards, develop new products, materials and technologies, as well as the import of goods in their markets, based on acceptable quality and safety standards. Ultimately we assist them in getting their products to market quickly and safely, to continually meet evolving consumer demands.

2023 performance

In 2023, our Consumer Products-related business reported revenue of £935.8m, up year-on-year by 1.3% at constant rates but down 2.9% at actual rates. We delivered operating profit of £246.8m, 2.6% lower year-on-year at constant currency and down 8.1% year-on-year at actual rates. Margin was 26.4%, down 110bps year-on-year at constant currency, the decrease attributable to the revenue decline in GTS, and the low-single digit LFL performance in Softlines and Hardlines.

Business lines

Softlines

Providing a range of solutions for textiles, garments, footwear and personal protective equipment.

Our role: Our solutions enable fashion retailers, brands and manufacturers to gatekeep regulatory compliance, while continuously improving their product performance in terms of quality, safety and sustainability.

Hardlines

Comprehensive solutions for a wide variety of toys and hardgoods.

Our role: Solutions for toys, children's and juvenile products, household products, furniture, and office supplies. We help our customers meet regulatory and retailer-specific requirements, improve product performance and differentiation through benchmarking, and facilitate global market access.

Electrical & Connected World

Helping clients meet safety, performance, environmental and quality requirements and delivering best in class networking and cyber security solutions for today's wireless and connected devices.

Our role: We bring more than 100 years of product testing and certification expertise to a wide range of industries, such as Medical, Lighting, Energy, Appliances & Electronics, Industrial Equipment, and IT & Telecom Equipment. We also provide comprehensive hardware, software, and cyber security solutions to help clients rapidly launch secure and reliable products in each industry and sector around the world.

Government & Trade Services

Providing conformity assessment services to governments, regulatory bodies, exporters and importers to support trade compliance.

Our role: We support governments, customs authorities, exporters and importers by ensuring imported goods comply with international safety and quality standards. Our worldwide network of offices delivers rapid inspection and certification.

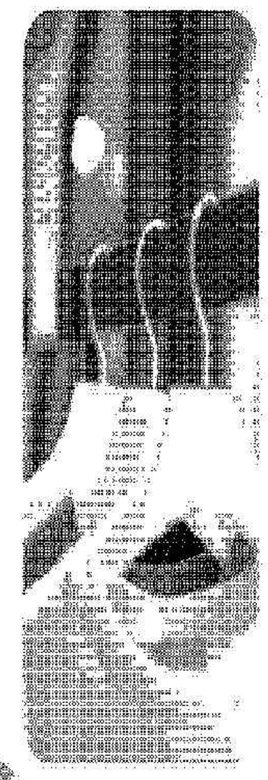
- Our Softlines business delivered low-single digit LFL revenue growth benefitting from growth in e-commerce, growth in Risk-based Quality Assurance and increased investments in end-to-end sustainability.
- Hardlines reported stable LFL revenue benefitting from the growth in their e-commerce, the increased consumer demand for home furniture and toys as well as the investments of our clients in sustainability.
- With increased ATIC activities driven by greater regulatory standards in energy efficiency, higher demand for medical devices and 5G investments, our Electrical & Connected World business delivered mid-single digit LFL revenue growth.
- Our OTS business provides certification services to governments in the Middle East and Africa to facilitate the import of goods in their markets, based on acceptable quality and safety standards. We saw double-digit negative LFL revenue growth globally as the expansion in the supply chain activities of our clients in the Middle East and Africa was offset by the impact of the non-renewal of two contracts in 2022.

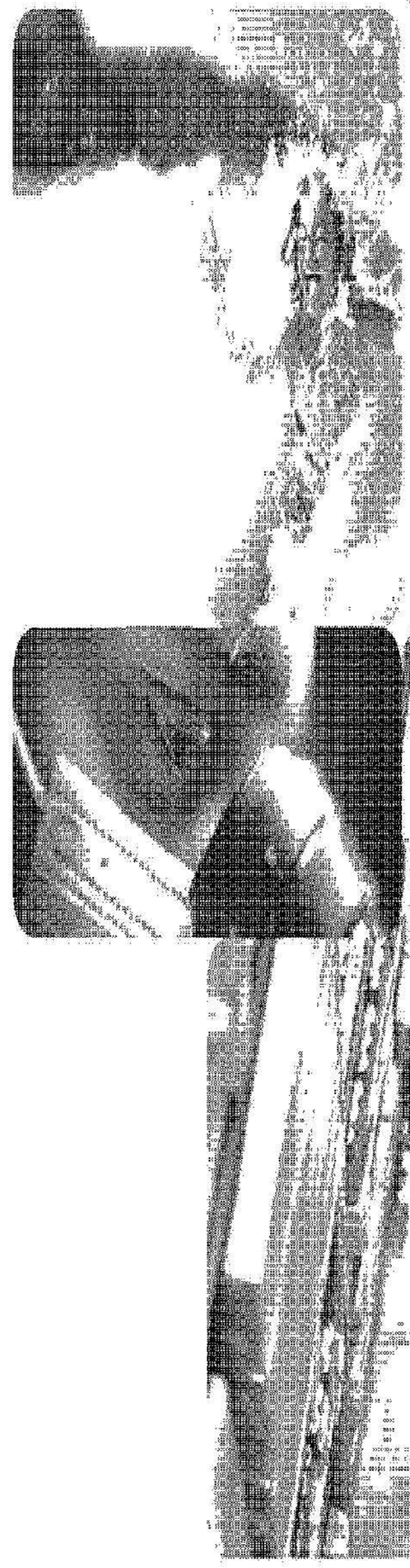
2024 growth outlook

In 2024, we expect our Consumer Products division to deliver low- to mid-single digit LFL revenue growth at constant currency.

Mid- to long-term growth outlook

Our Consumer Products division will benefit from growth in new brands, SKUs & e-commerce, increased regulation a greater focus on sustainability, technology, as well as a growing middle class. We expect low- to mid-single LFL revenue growth in the medium term at constant currency.





Financial highlights 2023

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	935.8	964.2	(2.9%)	1.3%
Like-for-like revenue	935.8	964.2	(2.9%)	1.3%
Adjusted operating profit	246.8	268.5	(8.1%)	(2.6%)
Adjusted operating margin	26.4%	27.8%	(140bps)	(100bps)

Intertek in Action

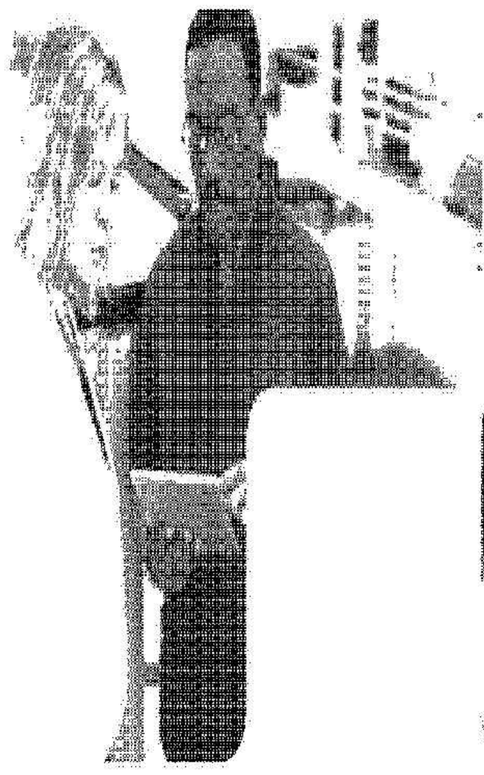
Inview - Advanced remote auditing and inspection services

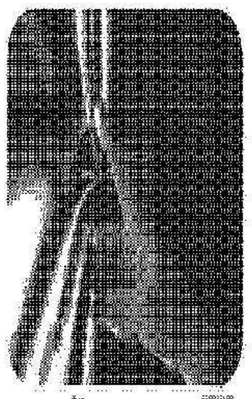
intertek

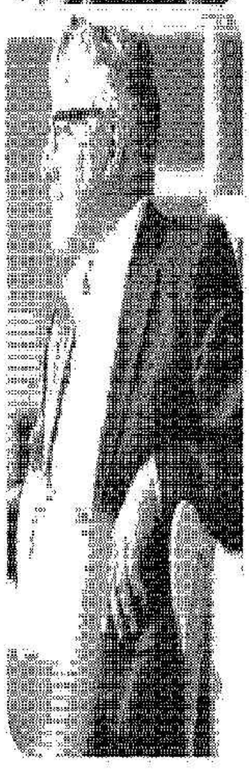
What it is: Inview is our state-of-the-art remote audit and inspection solution, enabling our experts to conduct thorough inspections or audits via live video. The tool also uses augmented reality features, optical character recognition data capture features and several other features to facilitate inspection. This innovative approach utilises handheld mobile devices and glass-based devices, allowing our team to adhere to the same stringent quality procedures as traditional on-site inspections. It is particularly effective for pre-shipment and commercial inspections of goods.

Customer benefit: This modern solution offers more comprehensive insights into both the inspection process and its results. Recently upgraded, Inview now gathers even more detailed information from each audit and inspection. This enhanced data collection not only benefits companies by providing deeper insights but also contributes to reducing their carbon footprint.

Intertek.com/inview/









Intertek in Action

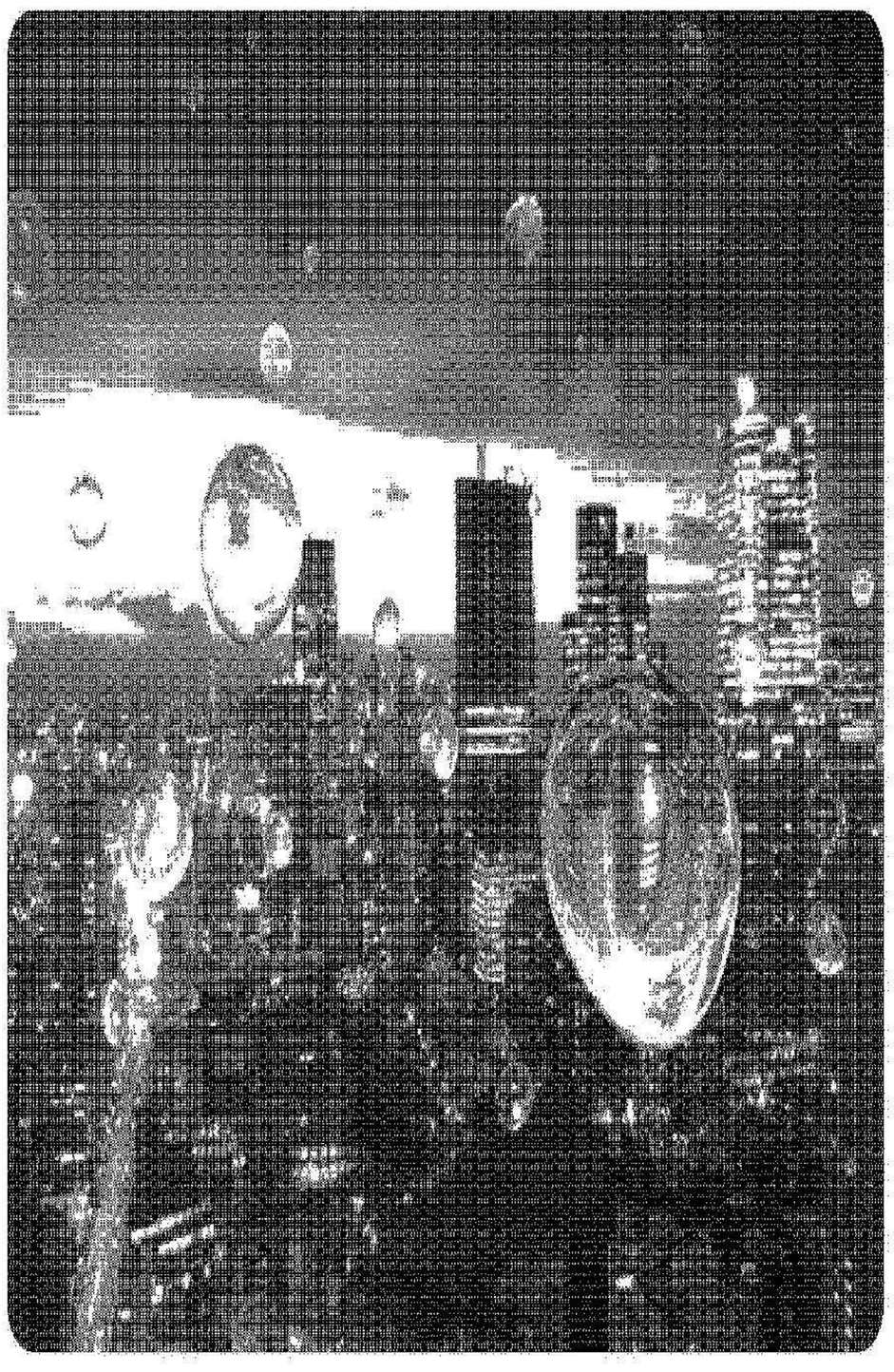
Hydrogen Assurance - Expert advisory and assurance solutions for hydrogen-based projects

intertek hydrogen
Safely into the future

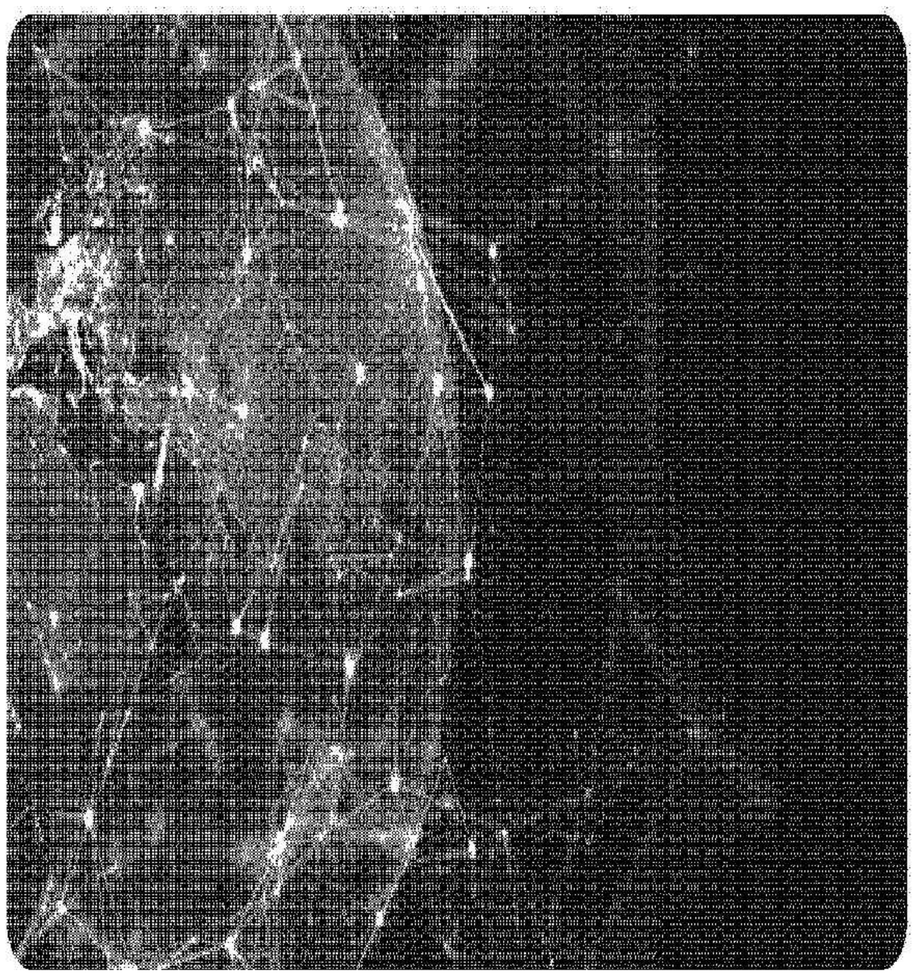
What it is: Our Hydrogen Assurance platform provides quality, safety and sustainability assurance across the entire hydrogen value chain, from the early stages of project feasibility and product design, through hydrogen production, delivery and storage, to end-use product compliance and certification. This includes comprehensive testing and certification of hydrogen refueling stations and dispensing and compression systems.

Customer benefit: The platform gives our customers access to leading hydrogen expertise and engineering resources. Its design services help bring products to market, while electrolyser bankability services ensure projects are financially viable and sustainable. Combining these with guidance on regulatory and compliance requirements, Hydrogen Assurance supports the safe and successful development and execution of hydrogen-based projects.

intertek.com/hydrogen/



Intertek in Action



Global Market Access - 24/7 access to curated and up-to-date compliance information

intertek

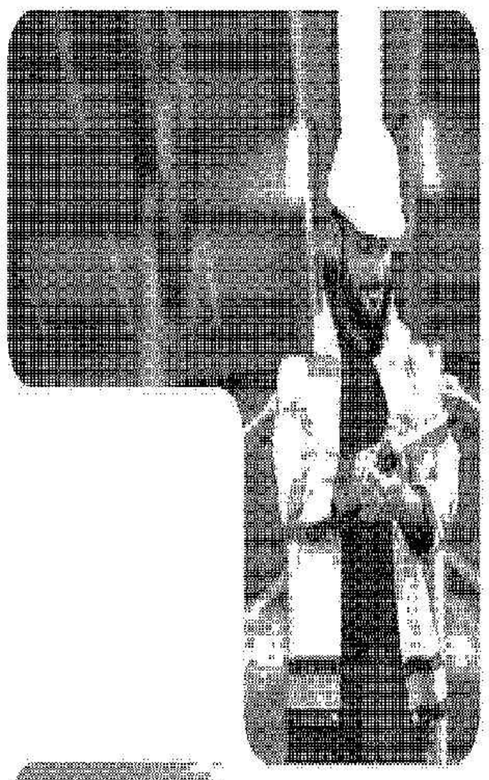
What it is: Global Market Access is a one-stop digital knowledge portal, developed to increase regulatory compliance for improved consumer safety and to protect corporate reputations. Covering more than 160 consumer product types for 46 different markets - from soft goods such as apparel and textiles, to hard goods such as cookware and furniture - it helps retailers and manufacturers comply with the regulations in force in different markets across the world.

Customer benefit: This self-help portal enables compliance and quality managers to obtain up-to-date regulatory, testing and recall information tailored to their needs - all in one place, with just a few clicks, instantly. Currently, we offer four e-services on the portal, including Regulatory Sheet, Test Plan, Recall Summary and Gap Analysis, all helping our customers bring their products to global markets more quickly.

intertek.com/electrical/global-market-access/

Corporate Assurance

High-single digit LFL revenue growth



Revenue

£477.5m

Adjusted operating profit

£109.4m

Adjusted operating margin

22.9%

Percentage of Group revenue

14%

Intertek value proposition

Our Corporate Assurance division focuses on the industry agnostic Assurance solutions we offer to our clients to make their value chains more sustainable and more resilient end-to-end. This division was 14% of our revenue in 2023 and includes Business Assurance and Assurris.

Strategy

Business Assurance and Assurris are central to our ATC offering and are some of the most exciting businesses within Intertek, given the increased focus on operational risk management within the value chain of every company. Intertek Business Assurance provides a full range of business process audit and support services, including accredited third-party management systems auditing and certification, second-party supplier auditing and supply chain solutions, sustainability data verification, process performance analysis and training. Assurris' global network of experts provides a global network of scientists, engineers, and regulatory specialists to provide support to navigate complex scientific, regulatory, environmental, health, safety, and quality challenges throughout the value chain of our clients.

2023 performance

In 2023, our Corporate Assurance-related business delivered revenue of £477.5m, up year-on-year by 9.5% at constant currency and 6.1% at actual rates. LFL revenue growth was 9.8% at constant currency. Operating profit was £109.4m, up 19.2% year-on-year at constant currency and up 14.6% at actual rates with a margin of 22.9%, 190bps higher year-on-year at constant currency as we benefitted from operating leverage and productivity gains.

Business lines

Business Assurance

Providing a full range of business process audit and support solutions.

Our role: We enable our clients to improve their operations, meet regulatory requirements, mitigate business risks, reduce their environmental impact, qualify their suppliers, and help them achieve their business objectives.

Intertek Assurris

Helping clients reduce risk, access global markets, promote health and safety, and protect the environment.

Our role: Intertek Assurris provides global regulatory support and scientific substantiation to enable market access, implements quality management systems, assesses essential safety concerns and provides clients with a pathway to decarbonisation.

- Business Assurance delivered double-digit LFL revenue growth as the business saw increased investments by our clients to improve the resilience of their supply chains, the continuous focus on ethical supply and the increased need for sustainability assurance.
- The Assurs business delivered stable LFL revenue as we benefitted from improved demand for our regulatory assurance solutions and from increased corporate investments in ESG.

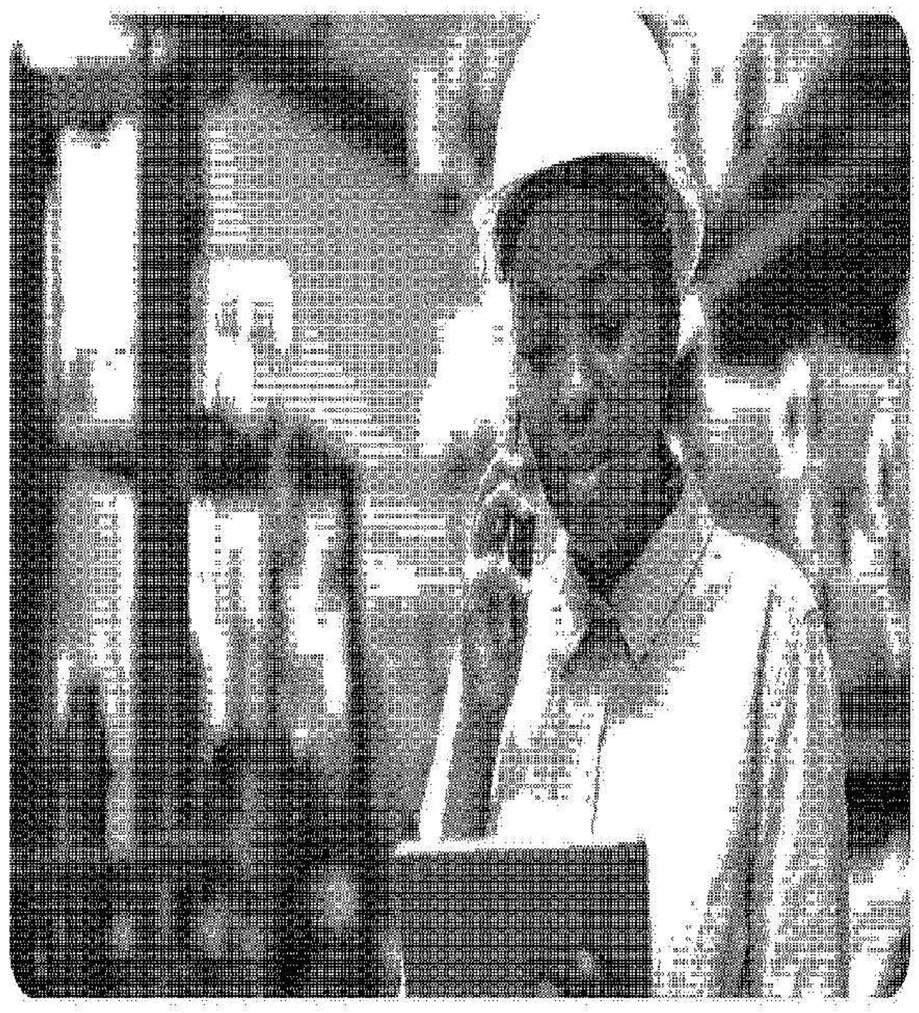
2024 growth outlook

In 2024, we expect our Corporate Assurance division to deliver high-single digit LFL revenue growth at constant currency.

Mid- to long-term growth outlook

Our Corporate Assurance division will benefit from a greater corporate focus on sustainability, the need for increased supply chain resilience, enterprise cyber security, People Assurance services and regulatory assurance. We expect high-single to double digit LFL revenue growth in the medium term at constant currency.

Intertek in Action



Intertek Inlight – Enhancing supply chain risk management and brand protection

intertek

What it is: Intertek Inlight is a comprehensive platform designed to help organisations gain a deeper understanding of their supply chain risks and sustainability. Leveraging Intertek's status as having the largest network of compliance auditors worldwide, Inlight offers a customisable assurance platform. It utilises data from over 1,000,000 annual audits and integrates Intertek's real-time risk analysis capabilities.

Intertek.com/inlight/

Customer benefit: The platform provides reliable information about suppliers' capabilities and compliance levels, coupled with tools for the early detection of potential risks. This functionality enables companies to develop a clear visibility and transparency of their supply chains, create detailed risk profiles for their suppliers, and make more informed decisions.

Inlight is an invaluable tool for businesses aiming to protect their brand integrity, ensuring that they are working with compliant and sustainable suppliers. By offering insights into supply chain dynamics, Inlight empowers companies to navigate complex global supply networks with confidence and foresight.

Financial highlights 2023

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	477.5	450.0	6.1%	9.5%
Like-for-like revenue	475.5	450.0	5.7%	9.0%
Adjusted operating profit	109.4	95.5	14.6%	19.2%
Adjusted operating margin	22.9%	21.2%	170bps	190bps

Intertek in Action

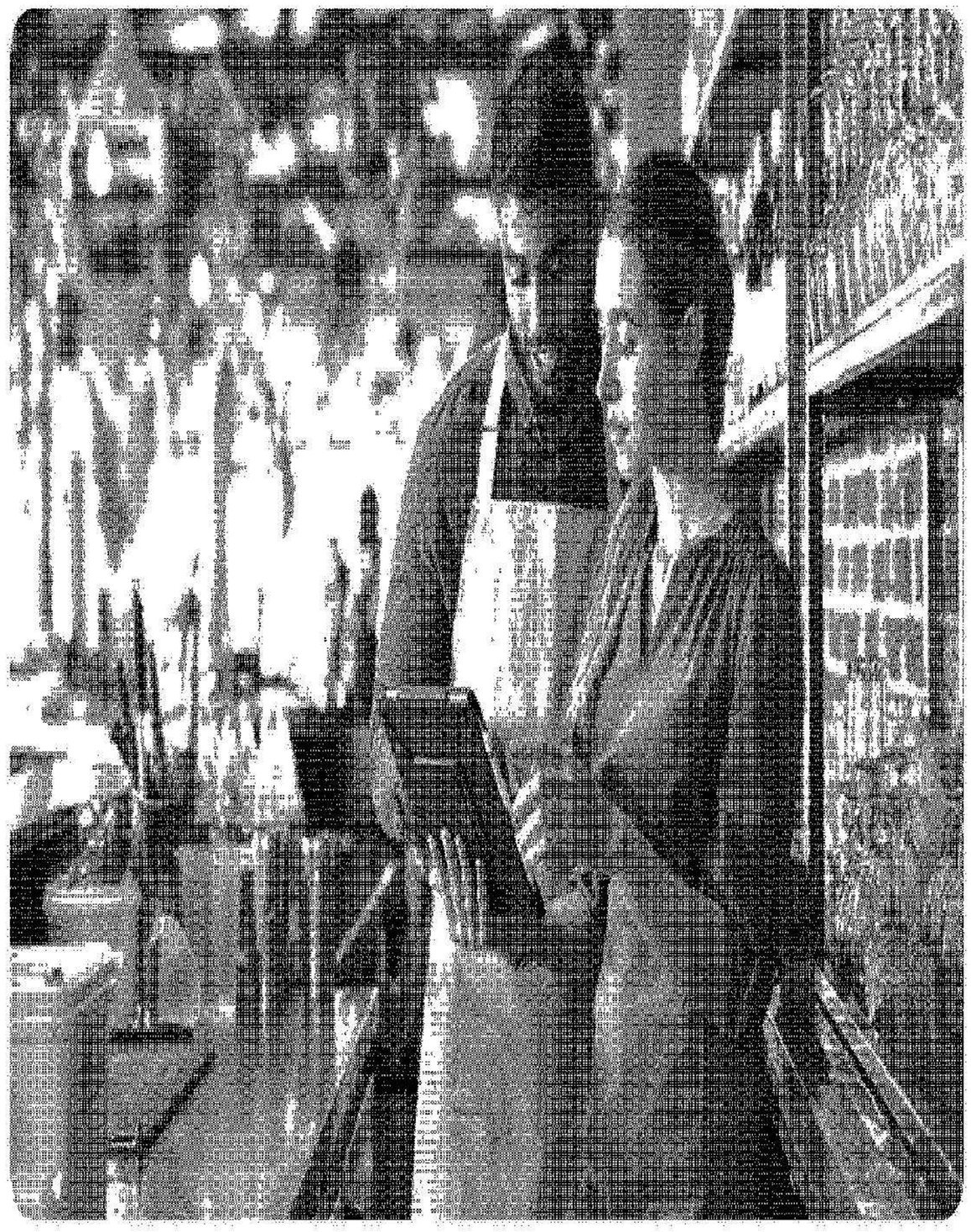
Green R&D - Balancing sustainability, safety and quality

What it is: Green R&D is a science-driven solution that offers comprehensive insights into product development, focusing on safety, quality and sustainability. It encompasses detailed performance testing, analysis, regulatory compliance and environmental assessments, providing a holistic view of a product's journey.

Intertek.com/assurance/sustainability/green-product-development-assurance/

Customer benefit: The key benefit for customers lies in the growing demand for eco-friendly products. Today's consumers are increasingly conscious about the environmental impact of their purchases.

Green R&D services enable companies to respond to this shift by ensuring their products are developed with minimal environmental impact. This approach helps companies mitigate risks and protect their brand reputation by achieving an optimal balance between product quality, safety and performance, while adhering to environmental standards. It offers a strategic advantage in a marketplace where ecological considerations are becoming increasingly pivotal.





Intertek in Action

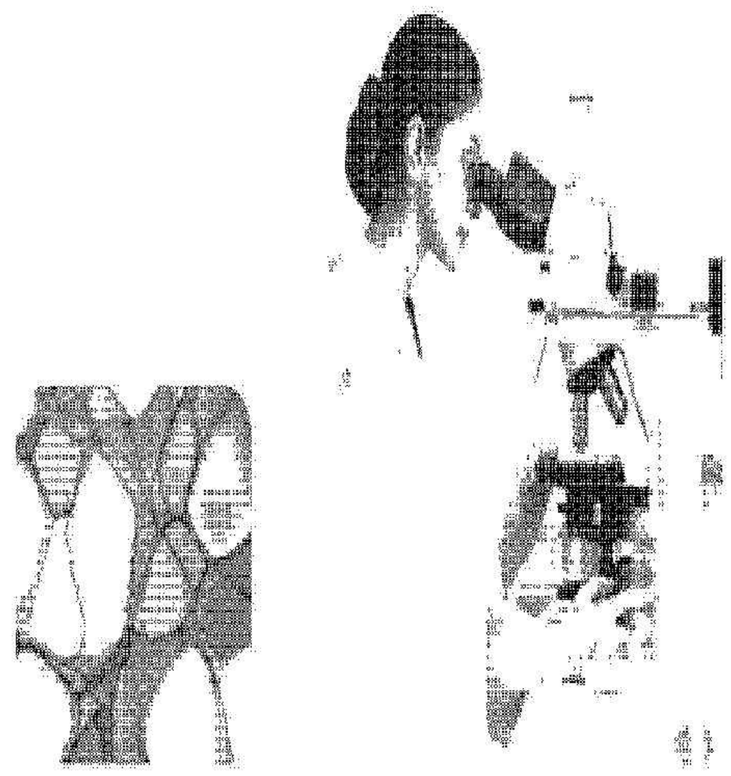
PlayerLync - Enhancing our People Assurance offering

What it is: PlayerLync is a leading SaaS-based platform which combines mobile content management, operational and compliance support in a single native app. In 2023, the platform became part of Intertek's People Assurance business, building on our earlier pioneering acquisition of Alchemy Wisetail by adding robust mobile content management, communication and offline synchronisation capabilities.

Customer benefit: With approximately 80% of the global workforce operating in deskless roles today, the demand for bespoke People Assurance solutions and mobile-based learning delivered at the point of need continues to grow, driven by increasing regulation and heightened end-customer expectations. Software-based technology solutions that offer mobile training, learning and development content are therefore becoming ever more important, and the combination of Wisetail and PlayerLync is exceptionally well-placed to meet those needs.

Health and Safety

High-single digit LFL revenue growth



Revenue

£326.3m

Adjusted operating profit

£43.2m

Adjusted operating margin

13.2%

Percentage of Group revenue

10%

Intertek value proposition

Our Health and Safety division focuses on the ATIC solutions we offer to our clients to make sure we all enjoy a healthier and safer life. This division was 10% of our revenue in 2023 and includes our AgriWorld, Food, and Chemicals & Pharma business lines.

Strategy

Our TQA value proposition provides our Health and Safety-related customers with a systemic end-to-end ATIC offering at every stage of the supply chain in an industry with significant structural growth drivers. our science-based approach supports clients as the sustained demand for food safety testing activities increases along with higher demand for hygiene and safety audits in factories. Our longstanding experience and expertise in the Chemicals & Pharma industries enables clients to mitigate risks associated with product quality and safety and processes, supporting them with their product development, regulatory authorisation, chemical testing and production.

2023 performance

In 2023, our Health and Safety-related business reported revenue of £326.3m, up year-on-year by 9.1% at constant currency and by 7.9% at actual rates. LFL revenue growth was 7.0% at constant currency. Operating profit of £43.2m was up 9.4% year-on-year at constant currency and 6.1% at actual rates. Due to country-mix effect in AgriWorld and investments in capacity in Chemicals & Pharma, margin of 13.2% was flat year-on-year at constant currency.

Business lines

AgriWorld

Providing assurance, testing, inspection and certification services across the entire agricultural supply chain.

Our role: We offer an extensive array of services including inspection services, monitoring the quality and quantity of cargo from source to destination, and high-quality analysis for the agri-biotech and breeding industries and assurance services supporting sustainable farming practices. Our global experts offer seamless support and provide traceability throughout the entire supply chain.

Chemicals & Pharma

Enabling clients' product development, regulatory authorisation and production.

Our role: Our analytical and assurance solutions accelerate product development and mitigate risks associated with product quality and safety processes, and supply chains for the pharmaceutical, chemical, polymer packaging, medical devices and cosmetics sectors.

Food

Providing testing, inspection, auditing, certification and advisory services to food companies.

Our role: We help major global brands to launch new food products, support food health initiatives, ensure safety and quality across the supply chain, help reduce food-borne diseases, and enable developing nations to increase their global food exports.

- AgriWorld provides inspection activities to ensure that the global food supply chain operates fully and safely. The business reported mid-single digit LFL revenue growth. We continue to see an increase in demand for inspection activities driven by sustained growth in the global food industry.
- Our Food business registered high-single digit LFL revenue growth globally resulting from increased demand for food safety testing activities and hygiene and safety audits in factories.
- In Chemicals & Pharma we saw high-single digit LFL revenue growth globally reflecting improved demand for regulatory assurance and chemical testing and from the increased R&D investments of the pharma industry.

2024 growth outlook

In 2024, we expect our Health and Safety division to deliver mid-single digit LFL revenue growth.

Mid- to long-term growth outlook

Our Health and Safety division will benefit from the demand for healthier and more sustainable food to support a growing global population, increased regulation, and new R&D investments in the pharma industry. We expect mid- to high-single digit LFL revenue growth in the medium term at constant currency.

Intertek in Action



Intertek and World Coffee Research - Enhancing Arabica coffee research through collaborative partnership

What it is: Our AgriTech team is collaborating with World Coffee Research ("WCR"), a leading non-profit organisation focused on improving the future of the coffee industry. We are contributing to WCR's innovative open-access database, which contains crucial genetic information on Arabica coffee. Our role involves providing specialised training in sampling techniques, performing DNA extraction, offering genotyping services and delivering comprehensive technical support.

Customer benefit: This collaboration offers significant benefits to the coffee community, including researchers, farmers and industry professionals. The availability of a centralised and accessible genetic database is set to transform the field of coffee research. It simplifies the process of identifying and authenticating coffee varieties, leading to substantial cost reductions.

Our partnership with WCR not only aids in advancing agricultural technology but also helps in lowering quality control expenses, thereby contributing to the cultivation of higher-quality coffee plants. This initiative represents a major step forward in ensuring the sustainability and quality of the coffee industry.

Financial highlights 2023

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	326.3	302.3	7.9%	9.1%
Like-for-like revenue	319.9	302.3	5.8%	7.0%
Adjusted operating profit	43.2	40.7	6.1%	9.4%
Adjusted operating margin	13.2%	13.5%	(30)bps	-

Intertek in Action

Controle Analítico - Intertek enhances presence in attractive environmental testing market

What it is: Controle Analítico is a leading provider of environmental analysis, with a focus on drinking and waste water, soil, and waste testing, based in Brazil. With heightened societal awareness around environmental health and sustainability, and population growth placing greater demand on critical infrastructure, broadening access to sanitation and clean water services has become increasingly important for stakeholders around the world.

Customer benefit: In Brazil, legislation aimed at providing at least 99% of the population with safe drinking water and 90% of all in-country households with sanitation services by the year 2033 is expected to require approximately US$128 billion of investment this decade. The acquisition of Controle Analítico in April 2023 complemented Intertek's leading Food and Agricultural Quality Assurance solutions in Brazil, expanding our presence and providing a wider and much-needed service offering in the Environmental testing market.



Intertek in Action

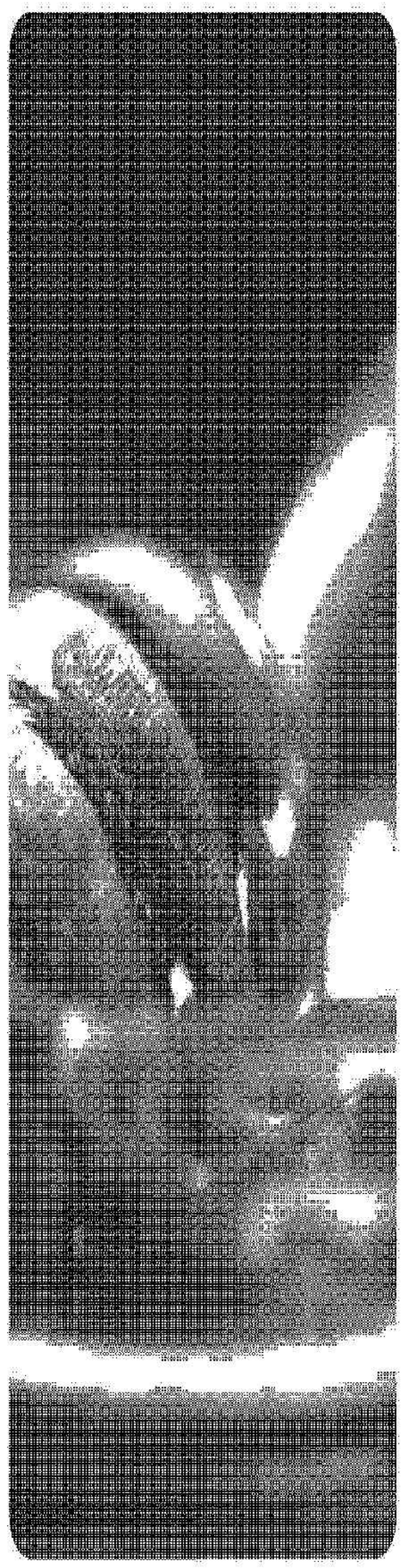
Crystek - Innovating to predict and prevent honey crystallisation

What it is: Crystek, developed by Intertek, provides services to evaluate and estimate a honey sample's tendency to crystallise, as well as to advise on and improve the quality of the honey and its production.

Customer benefit: Honey crystallisation is a natural phenomenon where honey turns from liquid to a semi-solid state. The start of this natural process depends on the honey's characteristics and the production process. Intertek has developed a physical instrument that can be used to understand which part - characteristics or production - has the biggest impact on crystallisation, with experts available to support on-site or remotely.

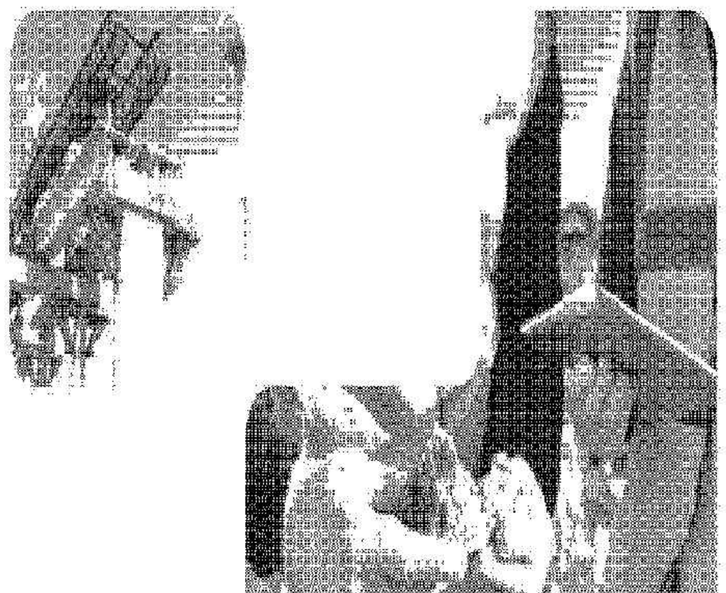
Intertek is one of the world's leading experts in the analysis of honey and hive products. The combination of Crystek and our unique expertise allows us to help manufacturers develop the best process to prevent crystallisation from taking place.

intertek.com/food/crystek/



Industry and Infrastructure

High-single digit LFL revenue growth



Revenue

£860.5m

Adjusted operating profit

£86.1m

Adjusted operating margin

10.0%

Percentage of Group revenue

26%

Intertek value proposition

Our Industry and Infrastructure division focuses on the ATIC solutions our clients need to develop and build better, safer and greener infrastructure. This division was 26% of our revenue in 2023 and includes Industry Services, Minerals and Building & Construction.

Strategy

Our TIC+A value proposition helps our customers to mitigate the risks associated with technical failure or delay, ensuring that their projects proceed on time and meet the highest quality standards as demand for more environmentally friendly buildings and infrastructure grows. By helping to improve safety conditions and reduce commercial risk, our broad range of assurance, testing, inspection, certification and engineering services allows us to assist clients in protecting both the quantity and quality of their mined and drilled products.

2023 performance

In 2023, our Industry and Infrastructure-related business delivered revenue of £860.5m, up 7.9% at constant currency and up 5.7% at actual rates. Operating profit of £86.1m was up 22.0% year-on-year at constant currency and up 19.7% year-on-year at actual rates. Margin improved by 110bps year-on-year at constant currency to 10.0% as we benefited from operating leverage and productivity gains.

Business lines

Industry Services

Ensuring the safe and optimised use of customers' assets and minimising quality risks in their supply chains.

Our role: Our Industry Services business line uses its in-depth knowledge of industries such as renewable energy, oil and gas, and petrochemicals to provide customers with a diverse and technologically advanced range of TIC+A solutions. The services we offer include technical inspection, non-destructive and materials testing, and asset performance management.

Building & Construction

Providing testing, inspection, certification and engineering services to the construction industry.

Our role: We offer a full suite of product-related testing and certification capabilities, plus project-related assurance, testing, inspection, and consulting services that are unparalleled in the building and construction market.

Minerals

Providing a wide range of services to the mining and minerals exploration industry.

Our role: Located in key mining locations across the globe, and operating an extensive network of mineral laboratories, Intertek Minerals offers expert inspection, analytical testing and advisory services to the Minerals, Exploration, Ore and Mining industries. We cover each step of the supply chain from exploration, production, sampling and inspection, to commercial trade settlement analysis.

- Industry Services includes our Capex inspection services and Opex Maintenance services and delivered double-digit LFL revenue growth as we benefitted from increased capex investment in traditional Oil and Gas exploration and production as well as in renewables.
- The continuing high demand for testing and inspection activities drove high-single digit LFL revenue growth in our Fineas business.
- Growing demand for more environmentally friendly buildings and the increased number of infrastructure projects in North America produced mid-single digit LFL revenue growth for our Building & Construction business.

2024 growth outlook

In 2024, we expect our Industry and Infrastructure division to deliver high-single digit LFL revenue growth at constant currency.

Mid- to long-term growth outlook

The Industry and Infrastructure division will benefit from increased investment from energy companies to meet growing demand and consumption of energy from the growing global population, the scaling up of Renewables, increase R&D investments that OEMs are making in EV/Hybrid vehicles and from the development of greener fuels. We expect mid- to high-single digit LFL revenue growth in the medium term at constant currency.

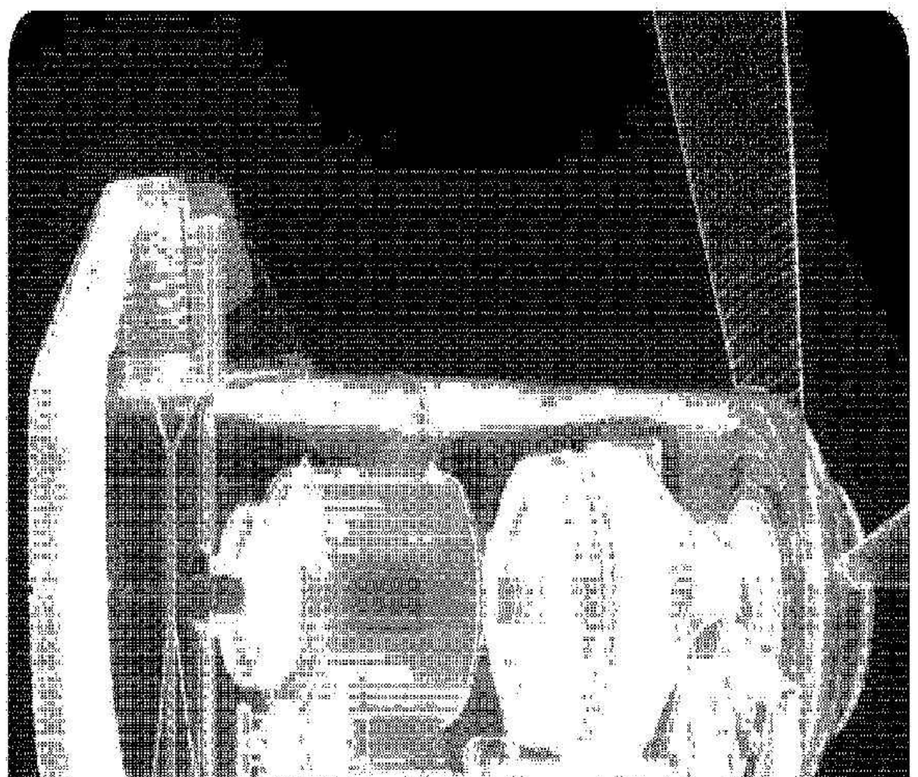
Intertek in Action

Intertek Aware - Improving the safety, efficiency and performance of complex equipment

What it is: Developed through Intertek Industry Services, Intertek Aware is a Digital Twin offering which integrates data from IoT sensors, robotic feedback and powerful software, fuelled by analytics, to create an accurate visual replica of your industrial world. The software empowers energy asset owners and operators to improve reliability, increase safety, estimate remaining useful life and manage inspection data, as well as help to reduce costs.

Customer benefit: Aware harnesses online and offline data to fuel smarter decisions on operations, maintenance, outages and inspections. The software helps to avoid forced outages, visualises problem areas and tracks risk-based inspections, failures and repairs. It also helps to meet code compliance requirements with faster, standardised documentation.

Intertek.com/asset-integrity-management/asset-performance-management-software/



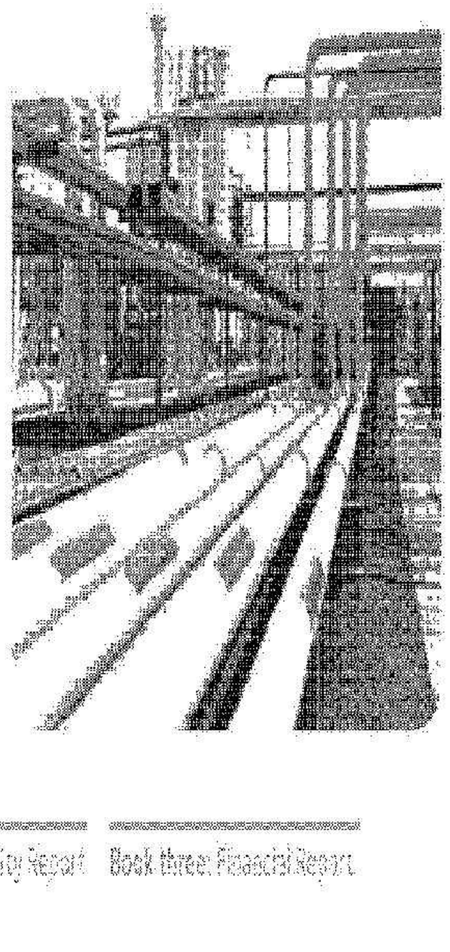
Intertek in Action

MiQ - Helping energy producers minimise methane emissions

What it is: MiQ is a leading certification standard for methane emissions. As an accredited MiQ auditor, Intertek independently certifies natural gas extraction and production facilities (onshore and offshore), using data-led grading to identify gas with higher or lower emissions. To provide a grade for a producer or facility, we evaluate methane intensity, company practices and monitoring technology.

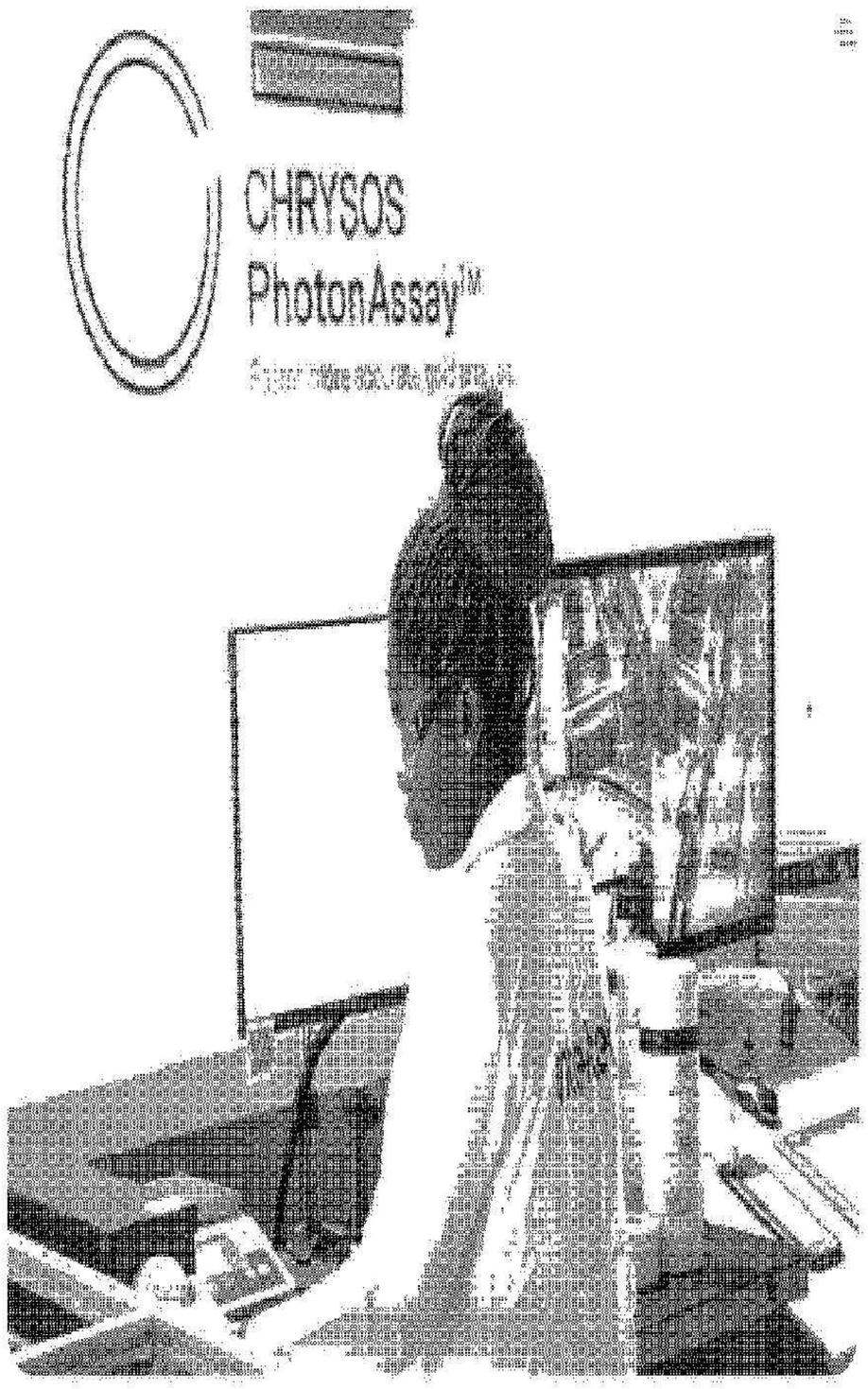
Customer benefit: While reducing greenhouse gas emissions focuses on CO_2, there is increasing awareness that methane is 80 times more potent in its first 20 years, so reducing it can have a much greater immediate effect on managing climate change. By providing grades that enable producers to differentiate their natural gas, MiQ certification promotes incentives for cutting methane emissions.

Intertek.com/oil-gas/methane-emissions-verification/



Financial highlights 2023

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	860.5	814.4	5.7%	7.9%
Like-for-like revenue	860.5	814.4	5.7%	7.9%
Adjusted operating profit	86.1	71.9	19.7%	22.0%
Adjusted operating margin	10.0%	8.8%	120bps	130bps



Intertek in Action

Intertek Moody - Leveraging a legacy of engineering-based excellence

intertek moody

What it is: The Moody legacy is synonymous with engineering-based technical assurance. Building on a more than 100-year history, that foundational heritage of experience and expertise was reignited with the return of the Intertek Moody brand. Bringing back the brand not only harnesses its industry-leading recognition and honours one of Intertek's founding pioneers, but also reinforces the strength and stability forged by the storied Moody legacy that still drives our global expertise, pioneering industry innovations and local presence.

Customer benefit: As industries strive to meet growing global energy and infrastructure demands, the need for quality, safety and reliability is paramount. Delivering in-depth expertise and local knowledge on a global scale, Intertek Moody has a history of being where our customers need us, across the entire supply chain and all stages of a project's life cycle. Our first-class proactive and value-added solutions, such as inspection, expediting and project management assistance help reduce risks, increase quality, optimise efficiency and improve safety.

intertek.com/moody/

Intertek in Action

PhotonAssay - Enhancing efficiency and sustainability in West African gold testing

What it is: PhotonAssay is a revolutionary analytical technique, heralding a new era of speed, accuracy and safety in gold analysis. We have introduced the technology at our minerals laboratory in Tarkwa, Ghana, which is central to our decades-long support for the West African mining industry. Unlike traditional methods, PhotonAssay employs high-intensity X-rays to excite gold atoms, producing unique gamma-ray signatures, which are then measured to determine the gold content.

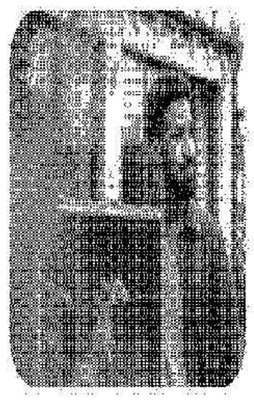
Customer benefit: The innovative technology delivers accurate results in a fraction of the time taken by conventional methods. It also significantly reduces the use of hazardous chemicals, minimising the environmental impact of testing procedures. The PhotonAssay unit's ability to deliver rapid, accurate and environmentally conscious results will assist to improve the sustainability of our clients' operations and contribute to the region's overall economic growth.

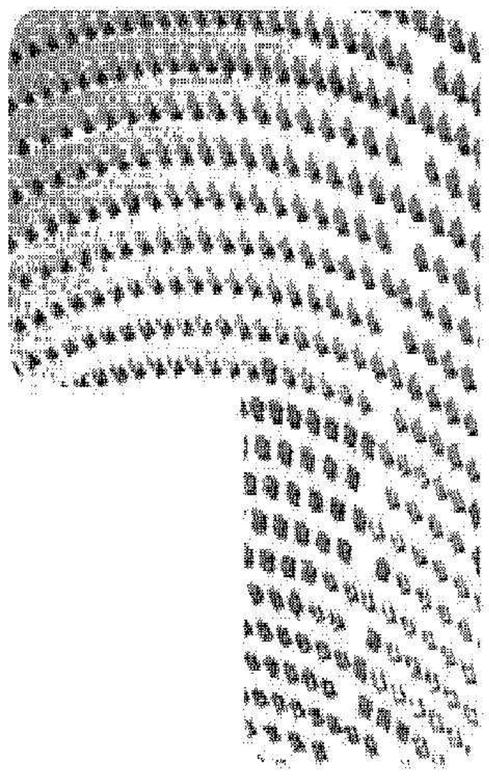
intertek.com/minerals/photon-assay/



World of Energy

High-single digit LFL revenue growth





Revenue

£728.6m

Adjusted operating profit

£65.6m

Adjusted operating margin

9.0%

Percentage of Group revenue

22%

Intertek value proposition

Our World of Energy division focuses on the ATIC solutions we offer to our clients to develop renewables as well as better and greener fuels. This division was 22% of our revenue in 2023 and includes Caleb Brett, Transportation Technologies and Clean Energy Associates ("CEA").

Strategy

Our TIQA value proposition provides world-leading expertise to enable our clients to benefit from the significant opportunities in the World of Energy. We do this by providing specialist cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

We provide rapid testing and validation services to the transportation industry, leveraging our Transportation Technologies subject matter expertise that is recognised by leading manufacturers worldwide. We evaluate everything from automobiles and energy storage to airplanes, and deliver top-tier testing for emerging technologies, such as autonomous and electric/hybrid vehicles.

Our partner firm CEA is a market-leading provider of Quality Assurance, supply-chain traceability and technical services to the fast-growing solar energy sector. Its leading assurance service offering includes in-line monitoring that allows clients to oversee the management and traceability of their supply chains, offering a comprehensive, end-to-end service to support customers on their decarbonisation and energy sustainability journeys.

2023 performance

In 2023, our World of Energy-related business delivered revenue of £728.6m, up year-on-year by 11.7% at constant currency and 10.1% at actual rates. LFL revenue growth was 8.7% at constant currency. Operating profit of £65.6m was up 57.3% at constant currency and 50.8% at actual rates with margin increasing by 260 bps at constant currency to 9.0%, as we benefitted from operating leverage, productivity gains and portfolio mix.

Business lines

Caleb Brett

Specialised cargo inspection and analytical assessment services to the oil and gas, chemical and other commodities markets.

Our role: We offer global 24/7/365 services covering cargo and inventory inspection services, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

Clean Energy Associates (CEA)

Provides quality assurance, supply chain and technical services to the fast-growing solar energy, energy storage and green hydrogen sectors.

Our role: CEA helps maximise the quality, safety and performance of clients' operational assets, manages global solar PV, green hydrogen and energy storage supply chains, and provides a complete quality assurance solution through data, analysis and oversight.

Transportation Technologies

Providing diverse, rapid testing and validation services to the transportation industry.

Our role: Our Transportation Technologies expertise is recognised by leading manufacturers worldwide. We evaluate everything from automobiles and energy storage to airplanes, and deliver top-tier testing for emerging markets, such as autonomous and electric/hybrid vehicles

- Caleb Brett, the global leader in the Crude Oil and Refined products global trading markets, benefitted from improved momentum driven by increased global mobility and higher testing activities for biofuels with high-single digit LFL revenue growth.
- Transportation Technologies delivered mid-single digit LFL revenue growth globally driven by increased investment in new powertrains to lower CO_2/NOx emissions and in traditional combustion engines to improve fuel efficiency.
- Our CEA business delivered double digit LFL revenue growth, benefitting from the increased investments in solar panels which is the fastest growing form of renewable energy.

2024 growth outlook

In 2024, we expect our World of Energy division to deliver mid-single digit LFL revenue growth at constant currency.

Mid- to long-term growth outlook

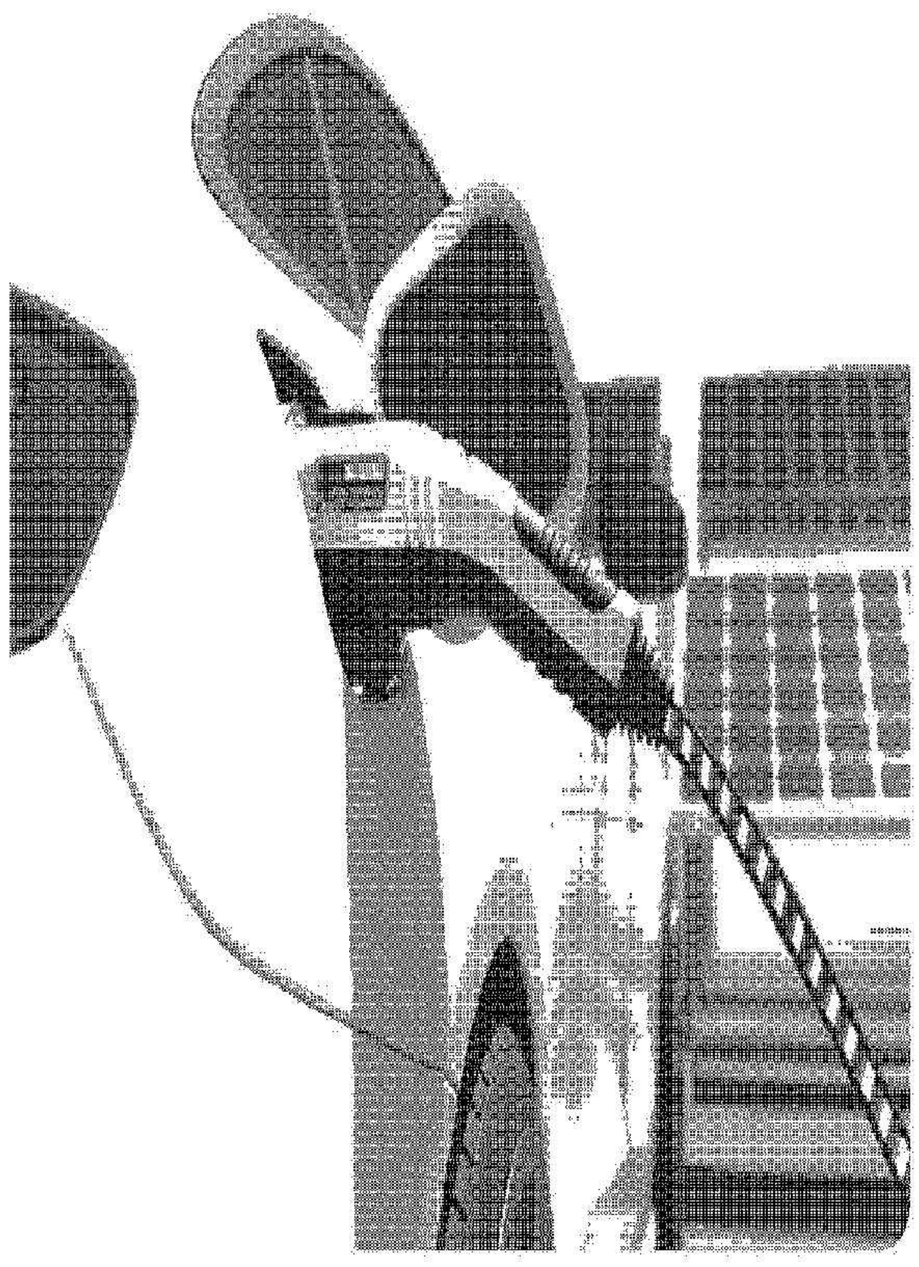
The World of Energy division will benefit from increased investment from energy companies to meet growing demand and consumption of energy from the growing global population, the scaling up of renewables, increased R&D investments that OEMs are making in EV/Hybrid vehicles and from the development of greener fuels. We expect low- to mid-single digit LFL revenue growth in the medium term at constant currency.

Intertek in Action

Electrification Centre of Excellence, Plymouth, Michigan - Supporting the move towards electric mobility

What it is: Strategically located near Detroit in the epicentre of the automotive industry, our Electrification Centre of Excellence in Plymouth, Michigan, offers some of the most extensive testing capabilities in North America for electric vehicle batteries and supply equipment. Through science-based Total Quality Assurance solutions, this facility plays a crucial role in supporting manufacturers in the transition to greener transport.

Customer benefit: With sales of electric vehicles growing rapidly, our Electrification Centre of Excellence helps meet the automotive industry's increasing need for regulatory support and safety and validation testing. As electrification technologies continue to advance, the facility will support the safety, performance and functionality of electric vehicles, battery packs, charging systems and their related components.

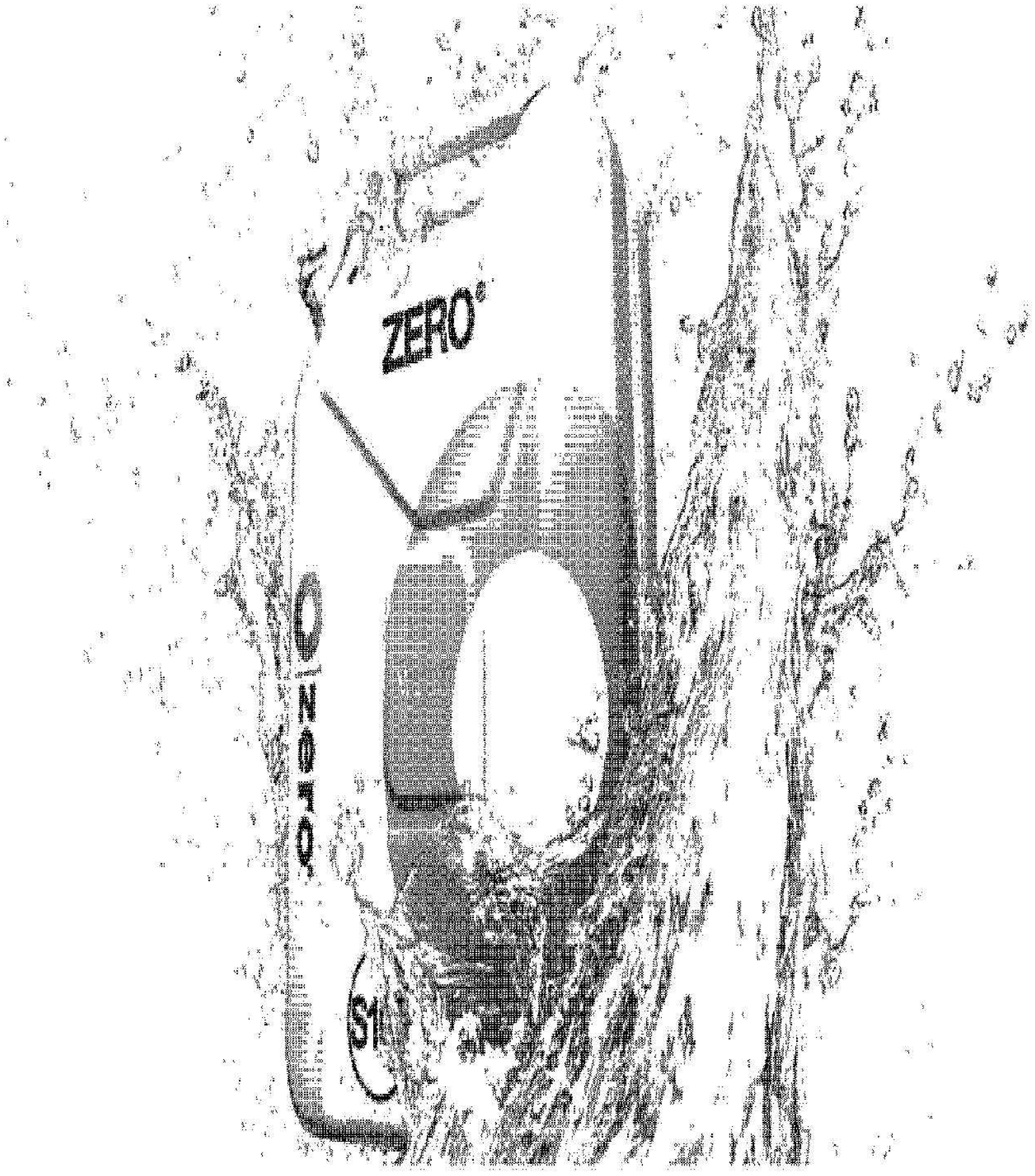


Financial highlights 2023

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	728.6	662.0	10.1%	11.7%
Like-for-like revenue	709.2	662.0	7.1%	8.7%
Adjusted operating profit	65.6	43.5	50.8%	57.3%
Adjusted operating margin	9.0%	6.6%	240bps	260bps

Intertek in Action

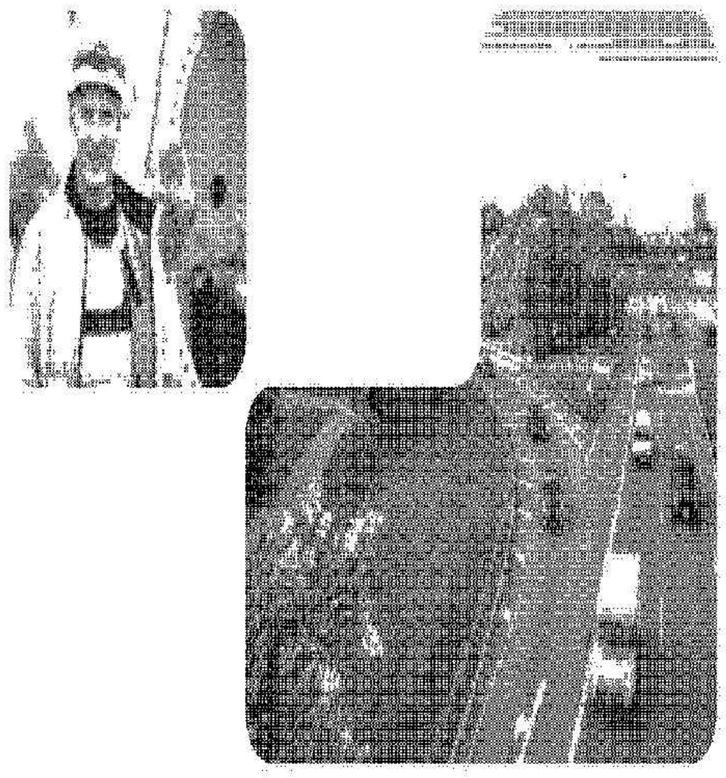
Intertek and Zero Petroleum - Pioneering the future of synthetic, carbon-neutral fuels



What it is: Intertek is collaborating with Zero Petroleum, an innovative energy company at the forefront of developing synthetic, carbon-neutral alternatives to traditional fossil fuels. Our role is vital in this partnership, as we are responsible for thoroughly assessing the composition and emissions of these synthetic fuels and verifying their compliance with stringent industry standards and regulatory requirements.

Customer benefit: The overall benefits of Zero synthetic fuels are substantial in the context of the global energy transition. These efuels, uniquely created from air and water, offer potentially unlimited scale and represent a significant advancement in moving towards cleaner, more sustainable energy sources. Designed to directly replace conventional petroleum-based fuels, they are applicable across various sectors, including transportation, aviation and agriculture.

A key advantage of Zero synthetic fuels is their compatibility with existing engines, allowing for seamless integration without the necessity for any modifications or adaptations. This compatibility underscores the potential of Zero synthetic fuels to significantly contribute to reducing carbon emissions and advancing environmental sustainability.



Principal risks and uncertainties

Assessing and managing our risks

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 in Book two, on pages 46 and 65.

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, relevant operational and functional leaders for each site are required to complete a year-end compliance certification to confirm that management controls have been effectively applied during the year. The return covers Sales, Operations, Finance, Sustainability 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. We have removed Covid-19 as a principal risk for 2023, this follows the decision by the World Health Organisation on 5 May 2023 to declare that the pandemic was no longer a Public Health Emergency of International Concern.

Long-term viability statement

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a five-year period to 31 December 2028, by carrying out a robust assessment of the potential impact of the principal risks and uncertainties on the Group's current position, including those that would threaten the Group's business model, future performance, solvency or liquidity. This is documented on the following pages.

The Directors have determined that a five-year period is an appropriate period over which to provide the viability statement of the Group, as the Group's strategic review covers a five-year period.

Furthermore, the Directors believe the five-year period appropriately reflects the average business cycles of the business lines in which the Group operates, particularly in relation to capital expenditure investment decisions. In modelling the viability scenario, we have made the assumption that we will be able to refinance external debt and renew committed facilities as they become due.

In addition to the bottom-up strategic review process where the prospects of each business line are reviewed, an assessment has been made of the potential operational and financial impacts on the Group of the principal risks and uncertainties outlined on the following pages. The Directors have also assessed certain combinations of these principal risks and uncertainties in a number of severe, but plausible, scenarios, as well as the effectiveness of any mitigating actions as set out in the table on page 58. The Directors have assessed climate change will not have a meaningful impact on the viability of the Group over the five-year period to 31 December 2028.

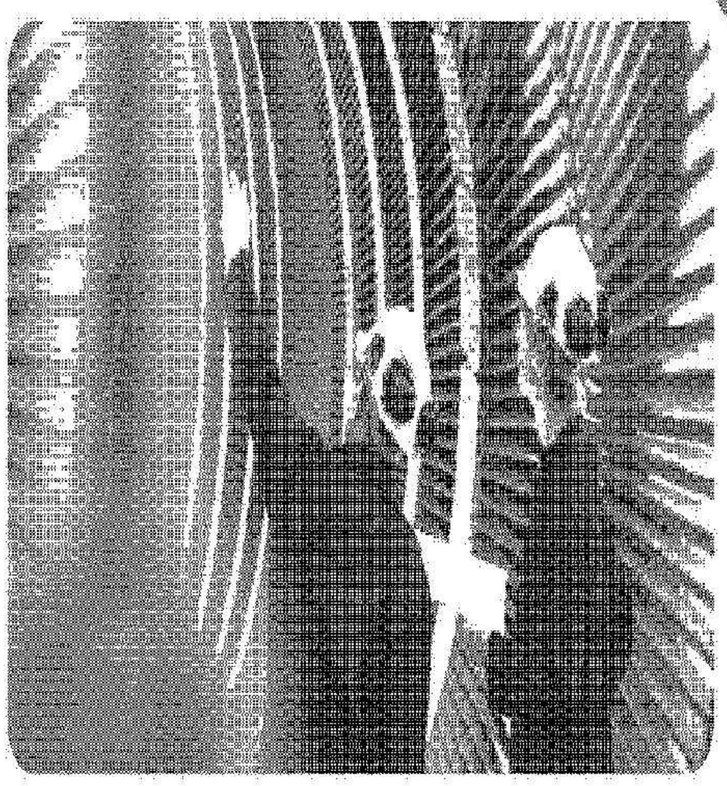
The Group has a broad customer base across its multiple business lines and in its different geographic regions, and is supported by a robust balance sheet and strong operational cash flows. The Board considers that the diverse nature of business lines and geographies in which the Group operates significantly mitigates the impact that any of these scenarios might have on the Group's viability.

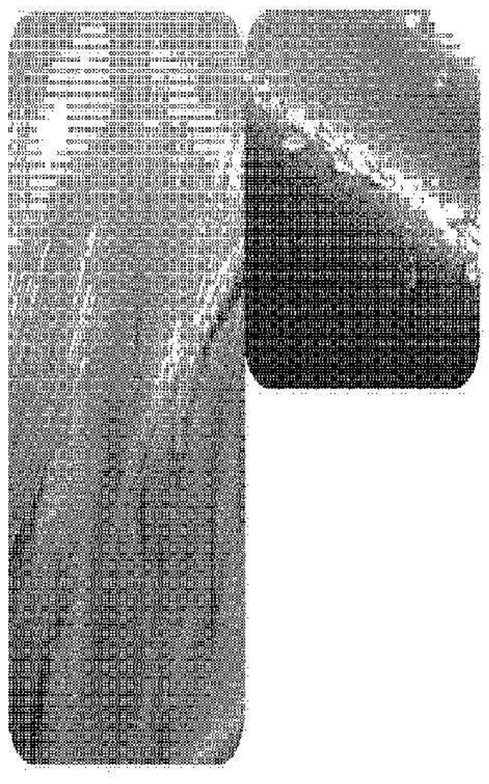
Based on this assessment, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2028. The statement on going concern is in the Directors' report in Book two, on page 73.

Principal risks and uncertainties Continued

Scenario	Associated principal risks	Description
Regulatory environment change	• Industry and competitive landscape • Customer service • Regulatory and political landscape • People retention • Reputation • Macroeconomic	Failure to identify, understand and respond to regulatory or political changes results in loss of revenue, profitability, market share and/or adversely changes the competitive landscape.
Customer service issue	• Industry and competitive landscape • Customer service • Business ethics • People retention • Reputation • Macroeconomic	Failure to respond/adapt to a customer service issue leads to a loss of key customers and detrimentally impacts reputation.
Ethical and/or quality breach	• Business ethics • People retention • Financial risk • Health safety and wellbeing • Reputation • Macroeconomic	An ethical and/or quality breach leads to litigation (including significant fines and debarment from certain territories/ activities), reputational damage, loss of accreditation and erosion of customer confidence.
IT systems breach	• Customer service • People retention • IT systems and data security • Reputation • Macroeconomic	A serious data security/IT systems breach results in a significant financial penalty and a loss of reputation among customers.







Operational

1 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.

Possible impact

- 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

Mitigation

- 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 facility 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 Group Risk Committee, where staff are encouraged to report, without fear, any fraudulent or other activity likely to adversely affect the reputation of the Group.
- Relationship management and communication with external stakeholders.

2023 update

This risk remains stable compared with 2022. The Group continues to invest in staff development, quality systems and standard processes to prevent operational failures.

2 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.

Possible impact

- 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.

Mitigation

- 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

2023 update

This risk remains stable compared with 2022.

3 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.

Possible impact

- Poor management succession.
- Lack of continuity
- Failure to optimise growth
- Impact on quality, reputation and customer confidence.
- Loss of talent to competitors and loss of market share

Mitigation

- HR strategy, policies and systems.
- Development and reward programmes to retain and motivate employees
- Succession planning to ensure effective continuation of leadership and expertise.

2023 update

This risk remains stable compared with 2022.

4 Macroeconomic

Macroeconomic factors such as a global/market downturn, inflation, supply chain and logistics restrictions, materials shortages, and contraction/changing requirements in certain sectors.

Possible impact

- Impact on revenue
- Failing market share
- Shrinking customer base
- Impact on share price

Mitigation

- 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 exceptional risk factors and have access to data and analysis from our external advisers.

2023 update

This risk remains stable compared with 2022.

5 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 pandemics and other similar events.

Possible impact

- 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

Mitigation

- Quality management and associated controls, including safety training, appropriate PPE (Personal Protective Equipment), Health and 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

2023 update

This risk remains stable compared with 2022.

6 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 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 changes to our clients' operations and supply chains.

Possible impact

- 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.

Mitigation

- CKAV and EKAV 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
- NPS customer research to understand customer satisfaction
- Continuing to drive innovation at the core

2023 update

This risk remains stable compared with 2022.

Operational (continued)

7 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.

Possible impact

- 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.

Mitigation

- Information systems policy and governance structure.
- Regular system maintenance.
- Back up 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, Cyber Security).
- Adherence to IT finance systems controls (part of Core Mandatory Controls (CMC)).
- Internal and external audit testing.
- Processes to ensure compliance with GDPR.

2023 update

This risk remains stable compared with 2022.

8 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.

Possible impact

- Margin-dilutive work.
- Onerous liabilities and exposures.
- Non-optimised pricing.
- Financial exposures due to claims and litigation.

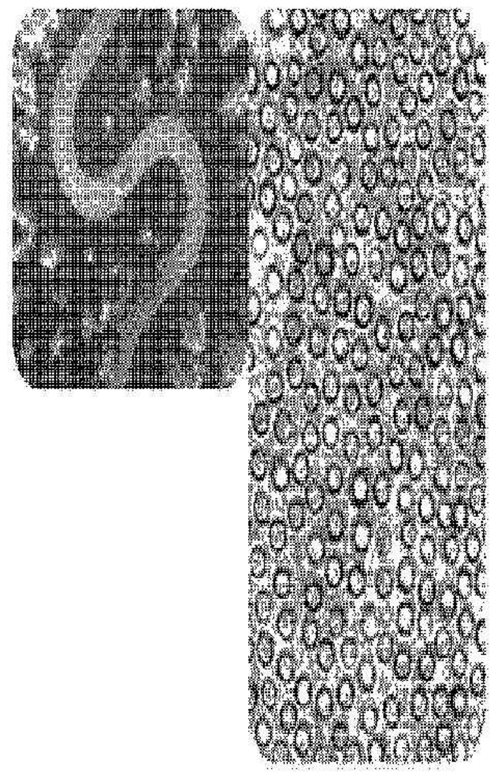
Mitigation

- 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.
- Both our contracting and claims processes are supported by training programmes for relevant staff, and the use of relevant systems and databases.

2023 update

This risk remains stable compared with 2022.





Legal and Regulatory

9 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.

Possible impact

- Loss of revenue, profitability and/or market share.
- Increase to costs of operations, reduction in profitability.
- Reduction in the attractiveness of investment in specific businesses, sectors or markets and/or adverse change in the competitive landscape.

Mitigation

- Monitoring of regulatory environment and political developments.
- Analysis of impact of regulatory and political changes on operational Standard Operating Procedures (SOPs) and Group policies.
- Membership of relevant associations, e.g. ITC Council with related advocacy and liaison activities, including in relation to developing climate-related environmental regulations.

2023 update

This risk remains stable compared with 2022.

10 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.

Possible impact

- Litigation, including significant fines and debarment from certain territories/activities.
- Reputational damage.
- Loss of accreditation.
- Erosion of customer confidence.
- Impact on share price.

Mitigation

- 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 sought 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.

2023 update

This risk remains stable compared with 2022.

Ongoing annual confirmations ensure that staff verify compliance with the Code.

During 2023, 105 (2022: 91) non-compliance issues were reported through the whistleblowing hotline and other routes. All were investigated with 39 (2022: 24) substantiated and appropriate corrective and disciplinary action taken.

Financial

11 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.

Possible impact

- Financial losses with the 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.

Mitigation

- The Group has financial management and systems controls in place to ensure that the Group's assets are protected from major financial loss.
- 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 control 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 there are also management reviews. Independent external auditors review the Group's half-year results and audit the Group's annual financial statements.

2023 update

This risk remains stable compared with 2022.

We continue to review and update the CMCs on an annual basis and use them for year-end compliance certification.

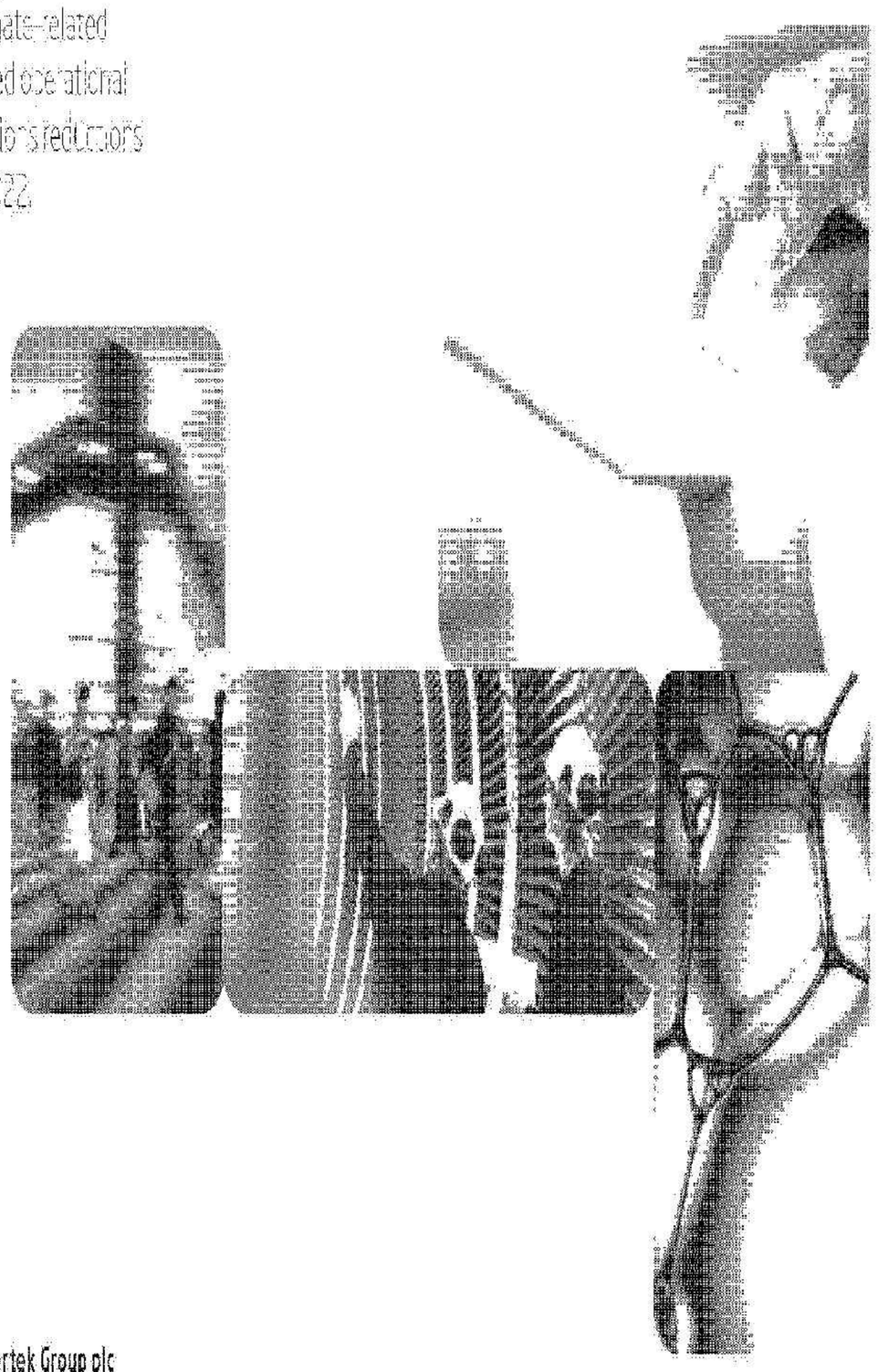
TCFD statement

Our TCFD journey

We believe that, as a sustainable business and a leading provider of sustainability solutions to more than 400,000 companies, Intertek has an important role to play in taking action on climate change and supporting the transition to a low-carbon economy – both for our clients and in our own value chain.

We have set ambitious targets to get to net zero emissions by 2050, with interim targets to 2030, which have been validated by the SBTi. In 2023, our rigorous monthly performance management of climate-related action plans delivered operational market-based emissions reductions of 10.8% against 2022.

We are also committed to total transparency on the effect of climate change and the risks and opportunities of decarbonisation on our operations, strategy and financial planning – including by implementing the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") in full.

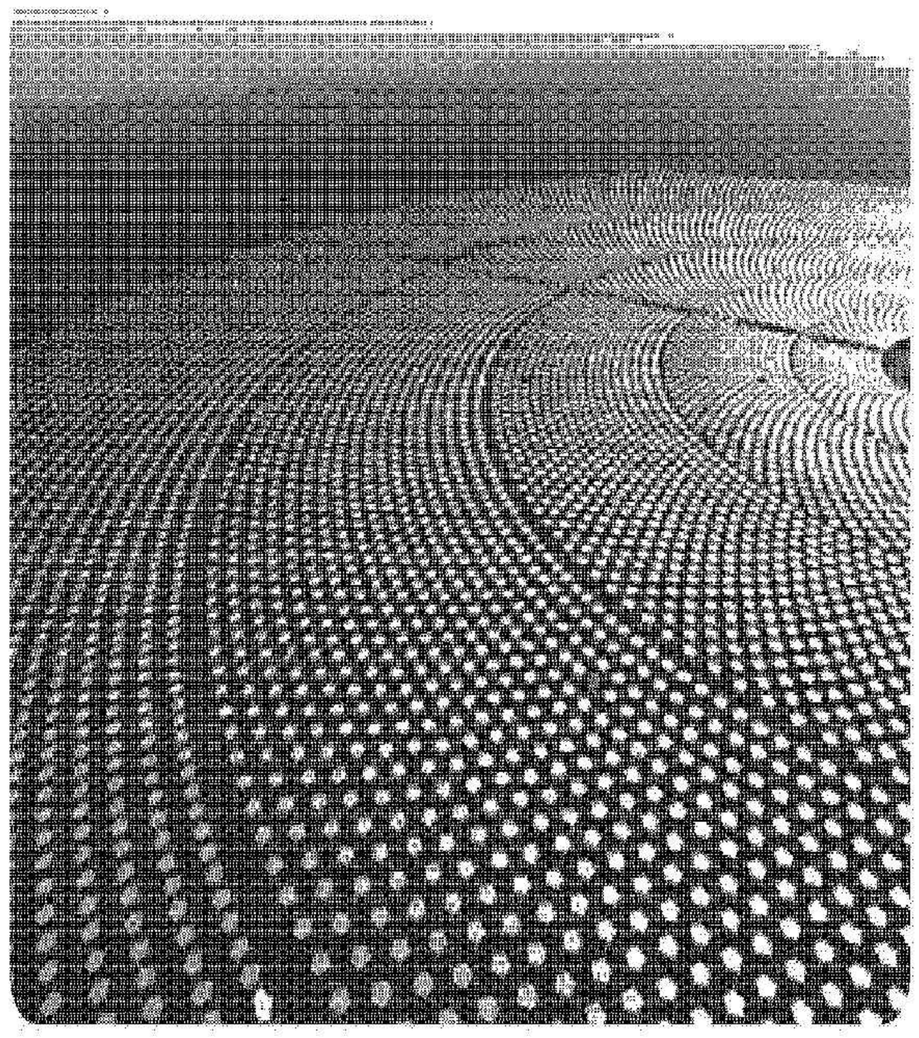


Putting climate change and decarbonisation in context

Climate change policies, disclosure requirements, and public, consumer and investor pressure have led to a "race to net zero" by governments and corporations – with the aim being decarbonisation of the global economy in line with Paris Agreement goals to limit global warming.

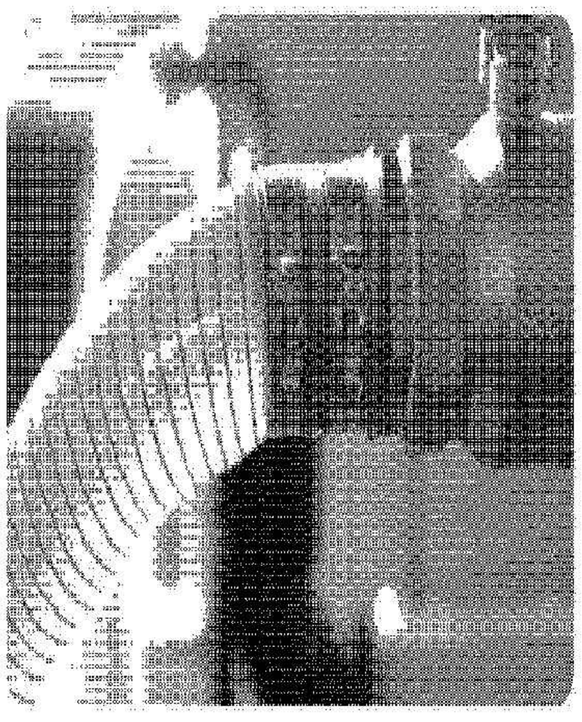
Decarbonisation to a point of net zero carbon emissions will involve economic, political and societal changes. The key to achieving it lies in the energy transition – a shift from reliance on fossil fuels to renewables and green energy sources, with the significant changes in energy infrastructure that involves. It will require a reduction in the carbon footprint of global activities: transport and travel; facilities and construction; supplies consumed; and goods and services produced. The likelihood – based on the current rate of progress – is that achieving net zero within the Paris Agreement timeframe will require the scale development and use of new carbon capture and storage technologies, together with breakthrough innovations to accelerate the reduction of carbon emissions linked to manufacturing, transportation and consumption.

Conversely, if decarbonisation goals are not met, the effects of climate change will increase and extreme weather events will be more likely. Governments and corporations will need to consider mitigating the risks of this outcome by ensuring that their energy, manufacturing and supply networks are resilient and secure.



Our TCFD journey

2018
Systemic CO_2 emission collection in all sites/ operations

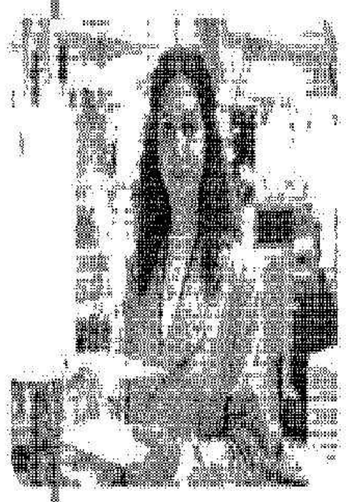


2020
Country-specific targets and action plans to reduce emissions



2021
CO_2 reduction targets for all employees included in yearly compensation

2022
Compliant with TCFD recommendations

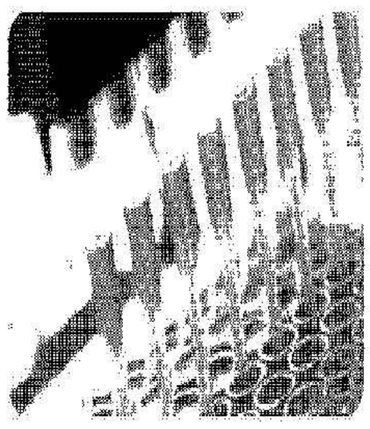


2017
First Group-wide GHG emission reduction target set



2021
Commitment to net zero by 2050

2022
SBTi Validation



2020
Voluntary disclosure against TCFD recommendations

2020
Systemic monthly performance management of emission reductions and action plans

Our TCFD compliance statement

The TCFD requires the disclosure of information aligned to its core elements - governance, strategy, risk management, and metrics and targets. The TCFD aims to improve the disclosure of climate-related risks and opportunities and provide stakeholders with the necessary information to undertake robust and consistent analyses of the potential financial impacts of climate change. We recognise the value that the recommendations bring and continue to align and enhance our climate-related disclosures.

We set out below our climate-related financial disclosures which are consistent with all TCFD recommendations and recommended disclosures[1].

Our TCFD disclosures are set out in five sections:

Section 1: our governance of climate-related risks and opportunities

Section 2: how we consider climate change in our strategy

Section 3: our climate-related risk management approach

Section 4: our climate-related metrics and targets

Section 5: our climate change methodology and approach

We have integrated climate-related disclosures throughout our Annual Report. These are included through cross-references to other sections containing further relevant information.

1. Figure 4 of Section C of the report entitled Recommendations of the Task Force on Climate-related Financial Disclosures published in June 2017 by the TCFD.

Section 1: Governance

TCFD recommended disclosures	Further information
a) Describe the Board's oversight of climate-related risks and opportunities	• Our Governance structure (Book two, pages 46-47)
b) Describe management's role in assessing and managing climate-related risks and opportunities	• Internal control and risk management (Book two, page 65)

1 a) Our Board's oversight of climate-related risks and opportunities

Our Board of Directors is responsible for the oversight of climate-related risks and opportunities. Climate-related risks are integrated into every Board agenda as part of the Board's review of risks and our integrated risk, control and compliance approach. Climate-related issues are considered as part of the Board's strategic review sessions and reflected in the Board's strategic review and guidance.

The Board takes emerging and systemic climate-related risks and opportunities into account:

1. when considering the Group's risk footprint and our internal control, risk management policies at each Board meeting; and

2. in reviewing the Group's principal risks and in the risk modelling that feeds into the longer-term viability statement.

During the year the Board was able to draw on the climate-related expertise of Gill Rider, who is also a member of Pearson Group plc's ESG committee and President of the Marine Biological Association, and Tamara Ingram, who is chair of the ESG committee for Marks and Spencer Group plc.

The Group's Head of Sustainability and EVP - Sustainability report to the Board on our climate-related risks and opportunities, respectively, from an internal and external perspective, as part of an annual in-depth Intertek Total Sustainability review. In addition, the Board receives specific updates on our TCFD approach and progress during the year. The Board monitors and oversees our progress against our science-based targets and our climate-related action plans.

1 b) Management's role in identifying, assessing and managing climate-related risks and opportunities

We believe that assessing and managing climate-related risks and opportunities is an integral part of our overall integrated risk management approach. Our framework of regional, divisional and functional risk committees, considers climate-related risks and opportunities and identifies and implements appropriate action plans. This creates an awareness and ownership of climate-related risks and opportunities within our operational, HR, compliance, finance and insurance leadership.

In addition, climate-related risks and opportunities are identified, managed and tracked by:

- our Net Zero Steering Committee (whose members include our Group CEO, Group CFO, Group Company Secretary, EVP - Sustainability, Head of Finance - Sustainability and Group Head of Risk) focuses on the implementation and performance of our net zero roadmap and our science-based emission reduction targets to meet our ambition to get us to net zero by 2050;
- our Beyond Net Zero Steering Committee (whose members include our Group CEO, Group Company Secretary, Group Head of Sustainability, EVP - Sustainability, SVP - Corporate Development and Group Chief Marketing & Communications Officer), which has oversight of our Total Sustainability agenda including internal and external climate-related actions over and above our GHG and net zero commitments; and
- our specific CEO-led working group on TCFD / climate-related risks and opportunities.

Our approach means that we can apply the management expertise we have from providing TCFD and other climate-related ESG Assurance solutions to our clients in the assessment and management of our own risks and opportunities.

Section 2: Strategy

TCFD recommended disclosures	Further information
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	• Principal risks and uncertainties (pages 52-57)
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	• Strategic Report: Our business model (pages 16-25) • Sustainability Report (Book two) • Financial Report (Book three)
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	• Strategic Report: Our business model • Sustainability Report (Book two) • Financial Report (Book three)

At the high level, our ambition is to become a net zero emissions business by 2050 while mitigating the physical impact of climate change on our operations and supporting our clients with sustainability solutions.

Innovative sustainability services have been at the core of our business and strategy for over 100 years. Today's "race to net zero" by governments and corporations is beneficial to Intertek given our investments in sustainability – including our operational sustainability solutions, our carbon emissions certification CarbonClear™, our ESG disclosures verification, and our corporate sustainability certification TSA. Ongoing dependency on traditional oil and gas, and the significant investments required to scale up renewable energy, will mean our Industry Services businesses could benefit from traditional energy investment and the parallel developments in the renewables space – and our differentiated World of Energy value proposition and our total energy expertise positions us strongly to take advantage of the global energy transition required to get to net zero.

The world will face difficulties in meeting Paris Agreement targets and addressing climate change unless all companies, public and private, commit to reduce carbon emissions to net zero, significantly increased investments are made in renewables, and there is breakthrough innovation to accelerate carbon emission reductions and facilitate carbon storage and capture. This negative outcome should lead to increased demand for our services as it will lead to an increased focus on developing low-carbon products and other innovations and technologies that will reduce emissions, including increased investment in carbon capture and storage.

2 a) Our climate-related risks and opportunities

Based on our supply and demand models and decarbonisation scenarios (details of which are set out in section 5), our view of Intertek's climate-related risks and opportunities is as follows:

Climate-related opportunities

Opportunity area	Description of opportunities
Energy transition	The key question for our energy-related businesses is what the risks and opportunities of a transition to lower carbon / renewable energy will look like, and over what timeframe. The world will be dependent on traditional oil and gas for longer than people think: there has been under-investment in oil and gas exploration since 2015; there is structural under-investment in alternative energy sources; renewables will take time to scale, creating risks for governments and economies in moving away too quickly from traditional energy sources. This will require our clients to make incremental investments in traditional oil and gas infrastructure and E&P. Our Industry Services businesses should therefore benefit over the next 20 to 25 years both from traditional energy investment and the parallel developments in the renewables space. Our Caleb Brett business should benefit from the increasing global demand for oil and gas in the short-term, and in the medium- to long-term continue to benefit from an increase in the production and consumption of oil-related products as well as the development / growth of greener fuels – biofuels and synthetic. Our clients will need to make significant investments in traditional oil and gas if they are to continue to meet the growing global energy demand. The carbon capture and carbon removal technologies which will be required to achieve net zero targets are currently at an early stage of development and it is likely that increased investments will be required to accelerate their production and availability. This should benefit our engineering-based inspection businesses within Industry Services. The energy transition that central to our traditional oil and gas clients faces as they move to be integrated energy providers underlines the importance of our differentiated World of Energy value proposition. Intertek's range of energy expertise is able to support our clients across the full World of Energy spectrum: from traditional oil and gas, petroleum refining and distribution, petrochemicals and power generation to nuclear power, solar, biofuels, tidal, wave and wind power. This gives Intertek a high-level, cross-sectional view of energy industry trends and trends that we believe will position us strongly to take advantage of current and future business development linked to energy transition.
Carbon footprint transition	For our Consumer Products businesses, the risks and opportunities of decarbonisation will be linked to our clients' transition to lower-carbon logistics, manufacturing/production and supply chain networks. We expect consumer spending on products to continue to increase and the number of SKUs produced to also increase. An increasing consumer and regulatory focus on sustainability will lead to changes in demand for products with lower carbon footprints. Equally, manufacturers' own sustainability goals will lead them to seek raw materials with lower carbon factors and to develop lower carbon footprint products. We believe that corporations will face difficulties in achieving their net zero targets given the financial, organisational and practical complexities of transitioning to low-carbon factor operations. We therefore expect the demand for existing products to stay high for longer. Given the difficulties in getting to net zero without R&D and investments in logistics and supply chains, our Consumer Products businesses will benefit from higher corporate investments in R&D to design low-carbon products at the start of the value chain and from investments in supply chain relocations closer to home markets to reduce carbon footprints and increase resilience.
Policy	Climate-related laws and regulations will increase over time. In the short term, governments are likely to limit policies which require mandatory behavioural changes to the industry sectors which are the most critical to decarbonisation – energy, infrastructure, and transportation. It is likely that corporates in other industry sectors will be encouraged to decarbonise by increasing disclosure and transparency requirements. The regulatory approach over the medium to longer-term will change depending on companies' / countries' success in meeting Paris Agreement targets and regulation will become less voluntary and more mandatory over time if those targets are likely to be missed based on existing behaviours. We expect to benefit from increased regulation to drive investment and product development by our clients in the energy, infrastructure and transportation sectors. We expect our Business Assurance businesses to benefit from an increase in supplier audit and management solutions as corporations seek to address their scope 3 / set pay chain carbon emissions. ESG disclosure requirements are likely to increase in response both to new regulations and disclosure standards and to increasing investor and stakeholder expectations. We expect this to lead to increased demand for our ESG disclosure / verification services.

Climate-related risks

Risk area	Description of risk
Physical impacts	We consider that there are three types of possible physical impacts: 1. Direct physical impacts, where the increased frequency and/or severity of extreme weather events causes an increased incidence of disruption to our own operations / supply chain / transportation networks; 2. Client physical impacts, where the extreme weather events cause disruption to our clients' operations and therefore changes to client demand – or the geographic location of client demand – for our services; and 3. Economic physical impacts, where temperature increase and extreme weather events reduce economic activity, leading to a fall in demand for our services in line with fall in consumer demand / client production. Based on our natural catastrophe experience and modelling, and because of the capital-light nature of our operations and our ability to redirect work within our own network, we believe that the impacts of extreme weather events to Intertek are likely to be local and not material at the Group level.

2 b) The impact of climate-related risks and opportunities on our businesses, strategy and financial planning

Intertek has been a global thought and innovation leader in sustainability services for decades, and sustainability services are core to our global business. We help customers across all aspects of sustainability, covering all major industries, with end-to-end sustainability solutions.

Climate-related opportunities are one part of our overall sustainability strategy. At the high level, we believe that the actions which companies and corporations will need to take to transition to a low-carbon economy will be an opportunity for us and will accelerate the demand for our ATIC solutions, including:

- our climate-related operational sustainability services (such as energy efficiency, carbon footprint or zero waste to landfill certifications);
- our corporate sustainability solutions (where we help corporations to establish and validate the effectiveness of their own sustainability programmes); and
- our Intertek ESG Solutions (where we independently verify our clients' sustainability reporting and disclosures).

We continue to develop innovative ATIC service offerings to support our clients' low-carbon transition plans and to enable them to comply with the increasing regulatory requirements relating to sustainability and ESG.

Our World of Energy businesses continue to scale up investments in strategic growth areas driven by climate-related factors, such as:

- An increase in total energy demand driven by GDP and population growth.
- The need to address structural under-investment in traditional oil & gas as renewables ack scale.
- Technology and infrastructure investments needed to build scale renewable infrastructure.
- The significant investments and innovations required to meet net zero pathways, including developments in hydrogen, synthetic fuels, carbon capture and carbon storage.

Our strategy includes M&A investments such as our acquisition of Clean Energy Associates which has enabled us to expand our sustainability service offering in the fast-growing quality assurance market for solar energy and energy storage. It also includes organic innovations such as Intertek Hydrogen, Intertek CarbonClear™ and CarbonZero, and Intertek Cleen R&D.

Our climate-related risks and opportunities assessment also feeds directly into our wider strategy, portfolio and financial planning, including our planning on:

- climate-change mitigation activities and our net zero action plans; and
- the location of our facilities.

We believe the impact of climate-related risks and opportunities is as follows:

	Timeframe			Scenario		
Climate-related opportunities	**Short**	**Medium**	**Long**	**RCP4.5**	**RCP8.5**	**Financial impact**
Transition impacts						See note 1
• Energy transition	◊	◊◊	◊◊◊	*		
• Carbon footprint transition	◊	◊◊	◊◊◊	*		
Policy impacts	◊	◊◊	◊◊◊	*		
Climate-related risks						
Physical impacts	◊	◊◊		*		See note 2

Key: ◊ – ◊◊◊ = low – high impact
*Scenario sensitivity

Note 1: Over the period 2014–2019, organic revenue CAGR was 5.3%. Sustainability / ESG services were a driver of that revenue growth. We expect the Group revenue growth for Sustainability / ESG services to accelerate.

Note 2: In order to assess our physical impact risk, we have worked with Willis Towers Watson (WTW) to carry out a portfolio exposure assessment based on catastrophe modelling supported by WTW's Climate Diagnostic Tool technology platform. For this purpose, our portfolio includes 949 sites (2022: 986 sites) and associated assets and revenues.

The results is an assessment of the percentage of our portfolio that is exposed to a moderate level of climate-related risk over four time periods (today, 2030, 2050, 2080) and under two scenarios (RCP4.5 and RCP8.5).

Figure 1:
Physical risk exposure under an RCP4.5 scenario:

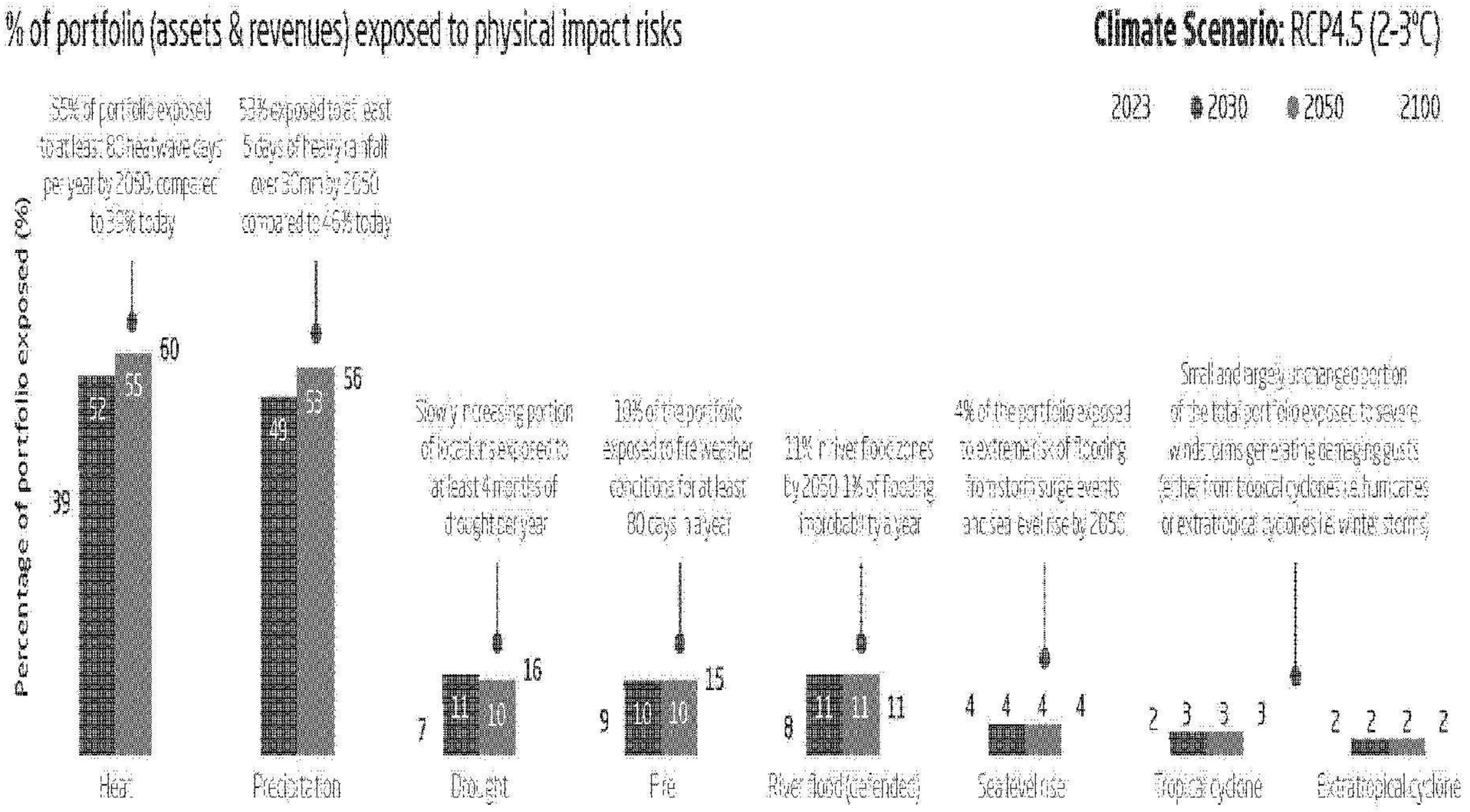
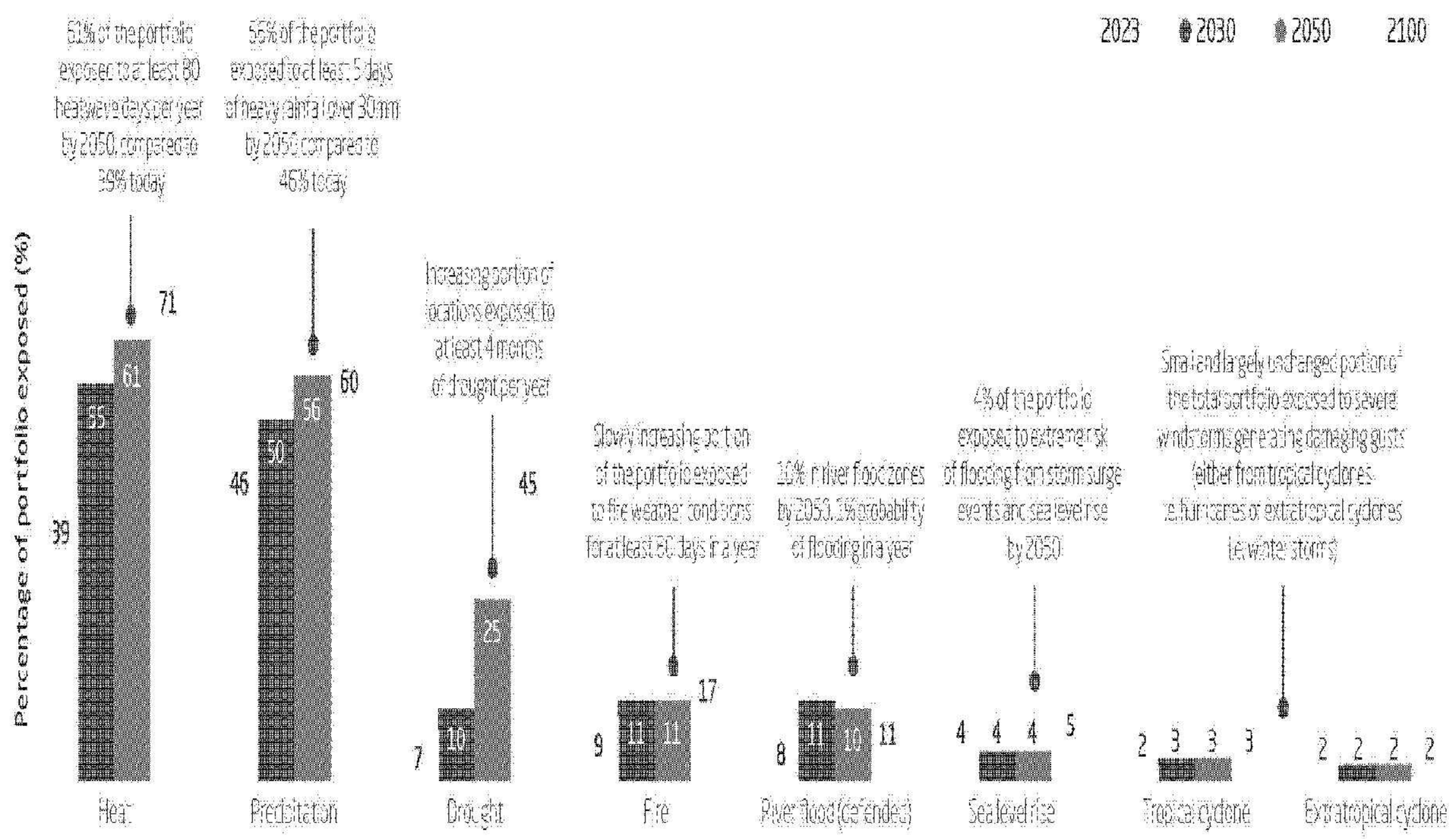


Figure 2:
Physical risk exposure under an RCP8.5 scenario:



The assessment shows that our broad geographic footprint and proven high-quality cash generative earnings model (covered in more detail in 2 c) below) is an advantage for long-term climate resilience. Nevertheless, it does indicate an increased physical impact exposure to our portfolio, varying by type of climate-related extreme weather event, under both the RCP4.5 and RCP8.5 scenarios:

- a **low to medium increase** by 2050 in exposure to chronic (extended, non-localised) weather events – heat, precipitation, drought, sea level rise and
- a **low increase** by 2050 in exposure to acute (localised, one-off) weather events – river floods, fire, tropical and non-tropical storms

Assessing the impact of chronic weather events

It is difficult to assess the physical impact of chronic weather events as these are likely to be regional or global in nature but can be largely or fully addressed with systemic risk mitigation actions at the Intertek site / operational level:

Physical risk (chronic weather events)	Impact on business	Mitigations
Precipitation	• Property damage and business disruption	• Insurance cover • Add identified climate-related risk into our business continuity planning for sites with predicted exposure • Physical / structural protections for sites with predicted exposure
Heat	• Productivity changes as severe heat affects people and/or equipment • Cost increases linked to an increased requirement for air conditioning / cooling	• Add identified climate-related risk into our business continuity planning for sites with predicted exposure • Increase energy efficiency / use of solar / renewable energy
Drought	• Operational impact from water scarcity • Changes to demand for our services linked to changing consumption patterns, population migration or conflict	• Add identified climate-related risk into our business continuity planning for sites with predicted exposure • Focus on reducing water usage / efficiency
Sea level rise	• Property damage and business disruption	• Insurance cover • Add identified climate-related risk into our business continuity planning for sites with predicted exposure • Physical / structural protections for sites with predicted exposure

Assessing the impact of acute weather events

The likely impact of an acute weather event is a loss of revenue due to a shutdown of our facilities. It is difficult to provide a precise estimate of the financial impact, which depends on factors including the severity of the event, the geography affected and our ability to redistribute work, and the duration of the shutdown.

Our assessment reveals a minimal increase in expected portfolio exposure to acute weather events, and we therefore expect the incidence and financial impact of such acute events to be similar to today. Based on recent experience, in FY17 hurricanes Harvey and Irma impacted the operations of our clients in southern regions of the USA during a three-month period, in turn impacting our business. These two operational disruptions reduced our revenue performance by £5m at constant currency over the period August to October 2017, negatively impacting our revisions. Over the five-year period to date, our operations have been impacted by about ten extreme weather events.

2 c) Our organisational resilience to the risks of climate change and decarbonisation scenarios

We believe our operations and strategy have a high degree of resilience to the risks of climate change under both an RCP 4.5 and RCP 8.5 scenario:

- Our extensive network – over 1,000 labs in over 100 countries – means that we are well positioned to take advantage of any climate-related changes in supply chains (e.g. changes to suppliers, to the raw materials being supplied or to the geographic location of supply chains).
- Our products in Inspection and Assurance businesses are flexible as they use field-based inspectors and auditors and we can deploy personnel / sub-contractors as required.
- Our client-base of over 400,000 clients is diverse, with no material dependencies, which also de-risks geographic changes in our points of service delivery.
- Our capital-light earnings model de-risks us from climate-related changes to our clients' supply chains and physical impacts of climate change as we have a low cost of market entry and exit.
- We are able to redirect work within our own network in order to mitigate the impact of climate-related disruptions.
- We do not anticipate a material impact of climate-related policies directly on our business. As a professional services provider, we do not operate in a sector which is likely to be a key focus for mandatory decarbonisation behavioural changes. Our broad geographic footprint de-risks us from the impact of national regulations. Our capital-light model mitigates our exposure to climate-related policies.

Section 3: Risk management

TCFD recommended disclosures	Further information
a) Describe the organisation's processes for identifying and assessing climate-related risks.	• Principal risks and uncertainties (page 52)
b) Describe the organisation's processes for managing climate-related risks.	• Principal risks and uncertainties (page 52)
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	• Principal risks and uncertainties (pages 52-53)

3 a) Our process for identifying and assessing climate-related risks

Our processes for identifying and assessing climate-related risks take place within our risk committees, and separately using the supply-and-demand model we have built for our World of Energy businesses, and our work with WTW to model the exposure of our portfolio to the physical impacts of climate change. The most significant insight from our work with WTW was that the exposure of our portfolio to acute weather events was expected to increase only very marginally in the period to 2050, with any financial impact falling well below the threshold for materiality.

In 2023, we have continued to review the exposure of our portfolio to physical climate change impacts using the live model we have built with WTW and with ongoing review as part of our integrated risk management process.

3 b) How we manage climate-related risks

Climate-related risks, and the related mitigation action plans, are reviewed at least quarterly by the Board and are also considered by our framework of regional, divisional and functional risk committees and our Group Risk Committee. The risk of physical impacts of climate change on our sites are also considered by a cross-functional group including members of our finance, insurance, risk and sustainability teams. The portfolio exposure modelling we have done with WTW allows us to assess – on a site-by-site basis – the changing likelihood and impact of specific climate events (such as drought, precipitation, flooding and fire) under both the RCP 4.5 and RCP 8.5 scenario in the short, medium and long term. We use the output of this model in our opportunity and risk mitigation planning, and in local site business continuity planning.

3 c) Integration into our overall risk management

Our climate-related opportunities are reviewed as part of our overall budget, innovation, M&A, customer insight and other processes. At the strategic level, the supply and demand model we have developed to look at how the needs of our customers across our different businesses are likely to be affected by decarbonisation allows us to assess how that is likely to affect their need for our end-to-end Total Quality Assurance services across all points of their logistics, manufacturing/production and supply chain networks.

Section 4: Metrics and targets

TCFD recommended disclosures	Further information
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	• Environment section (Book two, page 29)
b) Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks.	• Environment section (Book two, page 29)
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	• Environment section (Book two, pages 27-29)

We publicly report on our scope 1, scope 2 and relevant scope 3 GHG emissions and the carbon intensity of operational emissions by revenue. Environmental performance is disclosed in Book two of this Report. Our measurement and reporting is aligned to the GHG Protocol Corporate Accounting and Reporting Standard (2015), and the recommendations of the TCFD. As required, we report under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations and we apply the 2019 UK Government Environmental Reporting Guidelines, including the Streamlined Energy and Carbon Reporting Guidance (SECR). Further details can be found on page 29.

We have made several climate-related public commitments, on our own and with other organisations. We have joined the global movement of 'Business Ambition for 1.5°C' and the UN 'Race to Zero' campaign. In 2023, the Science Based Target Initiative ('SBTi'), who defines and promotes global best practice in science-based target setting, validated our near-term targets.

"Intertek Group plc commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Intertek Group plc also commits to reduce absolute scope 3 GHG emissions from business travel and employee commuting 50% within the same timeframe. Intertek Group plc further commits that 70% of its suppliers by spend covering purchased goods and services, capital goods and upstream transportation and distribution, will have science-based targets by 2027."

We have rolled out country- and site-level specific targets which are reported monthly in our environmental dashboards. Our rigorous GHG emissions performance management programme empowers our regional teams to identify emissions sources, track progress against targets and KPIs, and implement concrete and measurable climate-related action plans.

Our annual incentive plan continues to have an ESG element (with a 15% weighting) based on performance against a GHG emissions reduction target.

Section 5: Our climate change methodology and approach

The demand for our services depends on the supply of, and demand for, our clients' products and services and their need for our Total Quality Assurance services at specific risk points in their logistics, manufacturing and supply chains.

To assess the impact of global decarbonisation on Intertek and our potential climate-related risks and opportunities we have built a bottom-up supply and demand model for our World of Energy (Crude Oil & Petroleum and Power) businesses which considers how the supply and demand of our clients' products and services, and therefore their need for Intertek's services, is likely to change in line with two decarbonisation scenarios that are aligned to the Intergovernmental Panel on Climate Change's ("IPCC") Representative Concentration Pathways ("RCPs"):

- **Intermediate (RCP 4.5):** Characterised by slowly declining emissions, this pathway assumes climate policies will be invoked to limit emissions, resulting in likely global temperature rise of 2-3°C by 2100.
- **High (RCP 8.5):** Characterised by rising emissions, this pathway adheres to the current trajectory and assumes no additional efforts are made to constrain emissions, leading to likely global temperature rise of >4°C by 2100.

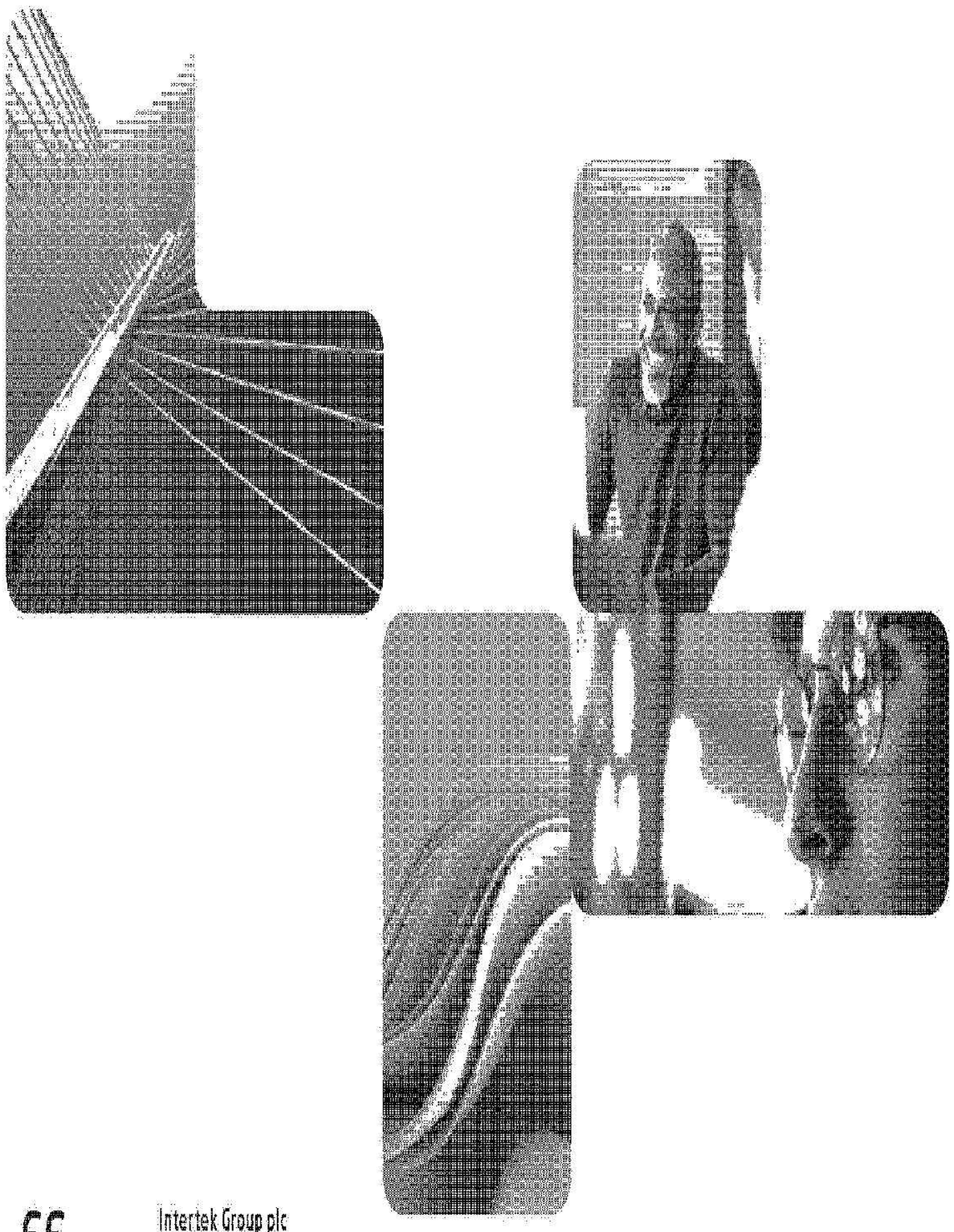
We have also used these two scenarios to evaluate Intertek's climate-related physical risks.

We have considered impacts over the short term (0-2 years), medium term (2 years - 2030) and long term (2030 - 2050).

In assessing materiality, we have considered both financial impacts on us and other considerations such as the importance of key climate-related topics to our clients and other stakeholders. For financial impacts, we have applied a materiality threshold of £20.8m, aligned with the materiality threshold in our financial statements. We have considered the materiality of risks on a "net risk" basis i.e. taking into account relevant risk mitigations and opportunities that may be linked to those risks.

Based on our view of global decarbonisation and the nature of our businesses and services, we have divided the impacts of climate-related risks and opportunities on Intertek's operations, activities and earnings into three categories:

- **Transition impacts:** the impact of transitioning to low-carbon economies and societies. We further divide these into **energy transition** impacts (the impact of transitioning to renewables and green energy sources) and **carbon footprint transition** impacts (the impact of reducing the carbon footprint of global activities including logistics, manufacturing/production and supply chains);
- **Policy impacts:** the impact of climate-related laws or regulations or policies intended to drive a decarbonisation agenda; and
- **Physical impacts:** the impact of extreme weather events on our and/or our clients' facilities and operations.



Non-financial and sustainability information statement

The table below is intended to help our stakeholders understand our position on key non-financial matters and climate-related financial disclosures in line with the reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. Our reporting on these topics and key performance indicators is contained within this Strategic Report and also in the Sustainability Report, Book two.

Reporting requirement	Description, implementation, due diligence, outcomes and additional information	
Environment	Environment	More in Book two, pages 26-32
Employees	Nomination Committee report	More in Book two, pages 66-69
	Risk management	More in Book two, page 69
	People and Culture	More in Book two, pages 10-17
Social matters	Communities	More in Book two, pages 33-39
Human rights	Responsible Business	More in Book two, pages 40
Anti-corruption and anti-bribery	Principal risks and uncertainties	More on pages 52-57
	Responsible Business	More in Book two, pages 40-41
	Compliance, whistleblowing and fraud	More in Book two, pages 42 and 76
Description of principal risks and impact of business activity	Principal risks and uncertainties	More on pages 52-57
	TCFD statement	More on pages 58-66
	Section 172 statement	More in Book two, page 56
Description of the business model	Our business model	More on pages 16-25
Key performance indicators	Financial KPIs	More on pages 26-27
	Non-financial KPIs	More on pages 28-29
Climate-related financial disclosures	TCFD statement	More on pages 58-66

The Strategic Report was approved by the Board on 4 March 2024.

On behalf of the Board

André Lacroix
Chief Executive Officer

Notes





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We are pleased to share our Annual Report & Accounts in a unique, three-book format:

Book one: Strategic Report

Where we discuss our growth opportunities and strategic performance.

Book two: Sustainability Report

Where we discuss our environmental, social and governance progress.

Book three: Financial Report

Where we record our financial activities, performance and position.

These separate, but connected books, with their interconnected themes and narratives, allow us to present what we achieved in 2023 in a systemic, end-to-end framework. They have been designed to make it easier for our stakeholders to fully understand our business, how we bring quality, safety and sustainability to life, what we offer our clients and society, and the opportunities ahead of us.



Visit: intertek.com/investors

Book two: Sustainability Report

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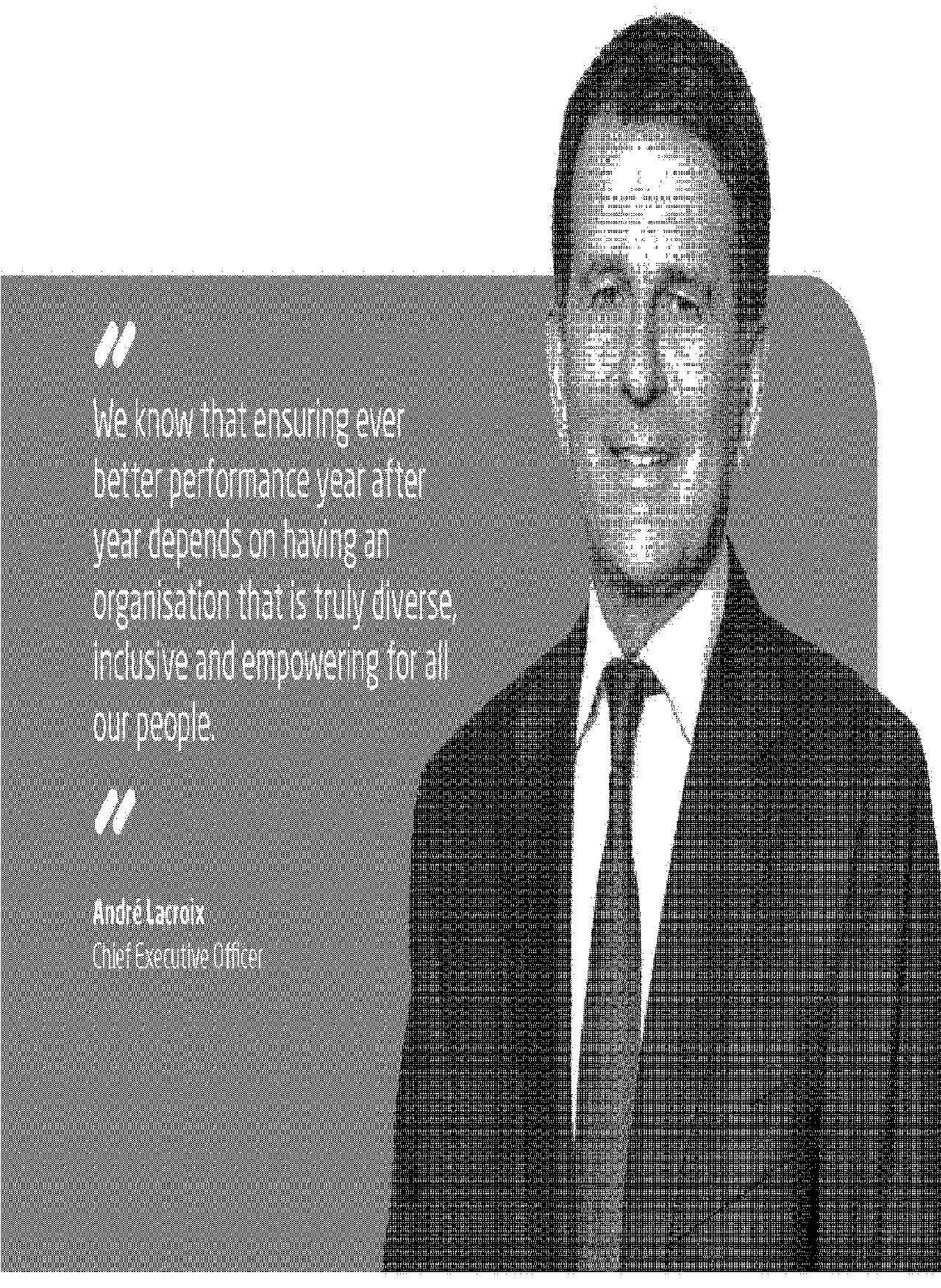
let's make the world amazing together and deliver sustainable growth and value for all



Chief Executive Officer's sustainability letter

An ever better world for future generations



"We know that ensuring ever better performance year after year depends on having an organisation that is truly diverse, inclusive and empowering for all our people."

André Lacroix
Chief Executive Officer

During 2023, I am delighted to report that, once again, we made progress on our Sustainability Excellence agenda, as everyone at Intertek made their own contribution to creating an ever better world for future generations. Thanks to them, our sustainability focus continues to be on all those areas that matter most to all of our stakeholders, customers, employees, suppliers, regulators, communities and shareholders.

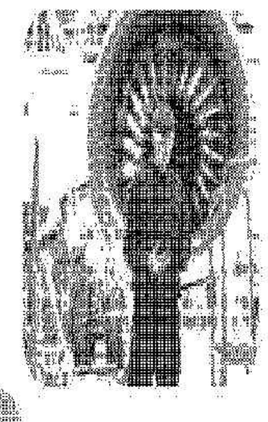
I would therefore like to thank all our people for their contribution to our own and our customers' success during the year, as we collectively led by example to help make the world ever better for everybody. Their commitment to the Intertek sustainability agenda, underscored by our unique approach to Science-based Customer Excellence, is an essential quality that sets us apart in the global Total Quality Assurance ("TQA") industry.

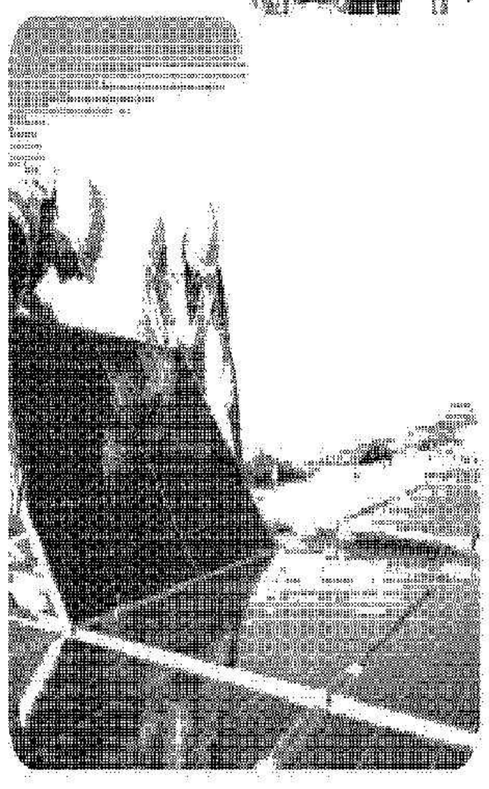
This exceptional commitment in turn is driven by our company culture: we know that ensuring ever better performance year after year depends on having an organisation that is truly diverse, inclusive and empowering for all our people. It's only by nurturing a workplace that helps our people to grow, develop and innovate that we will continue to accelerate our progress along our good to great journey.

Sustainability Excellence

Our Sustainability Excellence approach gives us the structure and discipline we need to deliver against our own performance targets.

That's why Sustainability Excellence, which we implement across every Intertek operation, is firmly rooted in our world-leading Intertek Total Sustainability Assurance ("TSA") standards (see page 53), through which we're helping organisations everywhere track, measure, improve and report their environmental and social impacts.





Our responsibility in action

We believe that our areas of expertise mean that we at Intertek have an essential role to play in helping our clients to take action on climate change and support the transition to a low-carbon economy.

And, as a large business in our own right, we have important responsibilities to act on sustainability. It's clear to me that without setting an example that demonstrates our own commitment, we wouldn't have the credibility we need to help our clients navigate their own journeys.

That's why we have committed to adopting ambitious science-based targets to reduce our operational emissions and achieve net zero emissions by 2050. I am particularly pleased that during the year we received validation from the Science Based Targets initiative ("SBTi") for our targets relating to reducing greenhouse gas ("GHG") emissions.

This validation is therefore an important step that has further validated our commitment to achieving tangible results in line with our Purpose, Vision, Values and Strategy.

We have three key targets in this area. First, to reduce our absolute scope 1 and scope 2 GHG emissions by 50% by 2030, using 2019 as a base year. Second, to reduce our absolute scope 3 emissions resulting from business travel and commuting by 50% over the same period. And third, to ensure that 70% of our suppliers by spend also have science-based targets in place by the 2027 financial year.

Gaining SBTi validation was a rigorous process, and I was delighted that Intertek's science-based targets meet the strict criteria and recommendations to confirm that we're in line with the ambition to limit global temperature increases to 1.5°C above pre-industrial levels. This validation effectively underscores the positive impact we have on the world, not only through the services we provide to our customers but also through our own, end-to-end Sustainability Excellence agenda.

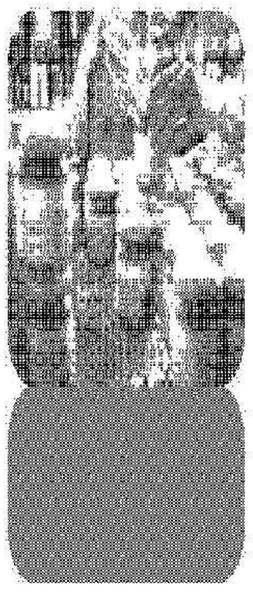
Reducing the impact of our global operations

We are driving environmental performance across our operations through science-based reduction targets to 2030. Our rigorous monthly performance management of climate-related action plans delivered operational market-based emissions reductions of 10.8% against 2022 and 36.7% against our base year 2019.

One significant action we took in this area during the year aims to further strengthen our approach to carbon monitoring and reporting that helps us reduce the impact of our global operations on the environment. This was to double the frequency of our previous annual employee Commuting Survey, which we use to understand the impact on our scope 3 emissions of colleagues travelling between their homes and our facilities.

See our non-financial KPIs, Book one pages 26-29





Sustainability highlights

- Levels of Hazard Observations increased, reflecting greater levels of activity across our sites as well as greater awareness and reporting of health & safety overall.
- Since 2015, we have used the Net Promoter Score (NPS) process to listen to our customers, enabling us to improve our customer service over the years consistently.
- We are driving environmental performance across our operations through science-based reduction targets to 2030. Our rigorous monthly performance management of climate-related action plans delivered operational market-based emissions reductions of 10.8% against 2022 and 36.7% against our base year 2019.
- In 2023, our greenhouse gas ("GHG") emissions reduction targets were validated by the Science Based Targets Initiative ("SBTi").
- We recognise the importance of employee engagement in driving sustainable performance for all stakeholders, and we measure employee engagement against our Intertek ATIC Engagement Index. Our 2023 score was 87 (2022: 80).
- Our voluntary permanent employee turnover improved to a low rate of 12.3% (2022: 14.0%).

Measuring our best practice progress

The SBTi was far from the only source of validation that we received during the year. We also participated in a wide range of other forms of Environmental, Social and Governance ("ESG") ratings, indices and frameworks that provide a valuable set of benchmarks measuring our progress in terms of best practice and the emerging sustainability challenges we all face.

These included an AAA rating in the MSCI ESG Ratings assessment, while our 'A' rating against the ISS ESG requirements show that we meet all the testing sustainability-related measures that relate to companies in our sector.

We were also a constituent of the UK's FTSE4Good Index for the seventh consecutive year, while our ESG rating of 16.3 from Sustainalytics indicates that we are at a low risk of any material financial impacts arising from ESG-related factors.

Finally, CDP recognised our continuing progress as a member of its Climate Change Programme, with the award of a 'B' score.

Empowering our amazing people to be ever better

Most of the above recognitions relate solely to climate change, and our sustainability focus extends much further than on this essential area alone. Above anything else, we are a people-centric business, and we recognise that our people are the immensely powerful source of our Amazing ATIC Advantage, fuelled by their Science-based Customer Excellence.

The areas in which we continue to emphasise the need for sustainability excellence, beyond environmental performance, therefore include health & safety, employee engagement and voluntary permanent employee turnover, customer relationships via our NPS, representation of women in senior management roles, regulatory compliance, and more. You can read about initiatives undertaken in some of these and other areas throughout this report.

Clearly, we want to take the performance of our teams across the world to the highest possible levels. During the year, two initiatives designed to make us ever better stood out for me.

One of these was the launch of our Champions engagement process, which uses Gallup's data-science-based expertise to deliver a continuous process of survey and action planning to precisely measure employee engagement. Its findings can then be used by managers and their teams to take positive steps through action planning. The Champions survey will be an ongoing process from 2024 onwards, enabling teams to track their progress and work together.

For me, the second stand-out initiative of 2023 was one that addressed diversity. This is particularly meaningful to me. I have been truly inspired by the words of former US President, Jimmy Carter, when in 1976 he referred to the nation's diversity in the following terms. "We became not a melting pot, but a beautiful mosaic," he said. "Different people, different beliefs, different yearnings, different hopes, different dreams."

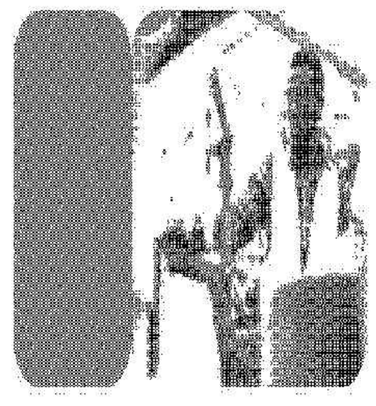
This truly expresses my own firm belief in the immense power of diversity, empowering businesses to embrace the differences that enable us to find a better way ahead, deliver sustainable growth and make a meaningful contribution to society. Our MOSAIC programme was launched to help all of us to understand the power of embracing diversity and inclusion.

This is designed to ensure we can leverage better than ever before that rich blend of talents from more than 100 different countries, all with different cultures, backgrounds and beliefs, that have made us the leading company we are today.

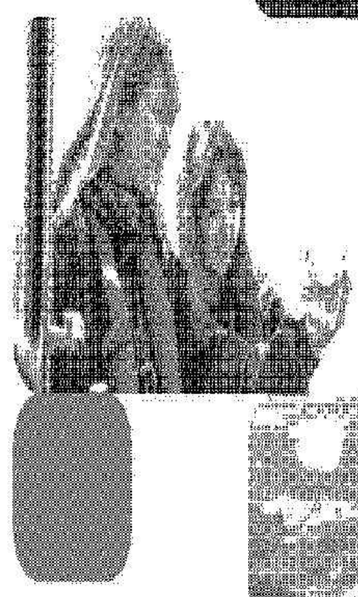
Our TQA solutions making the world better, safer and more sustainable

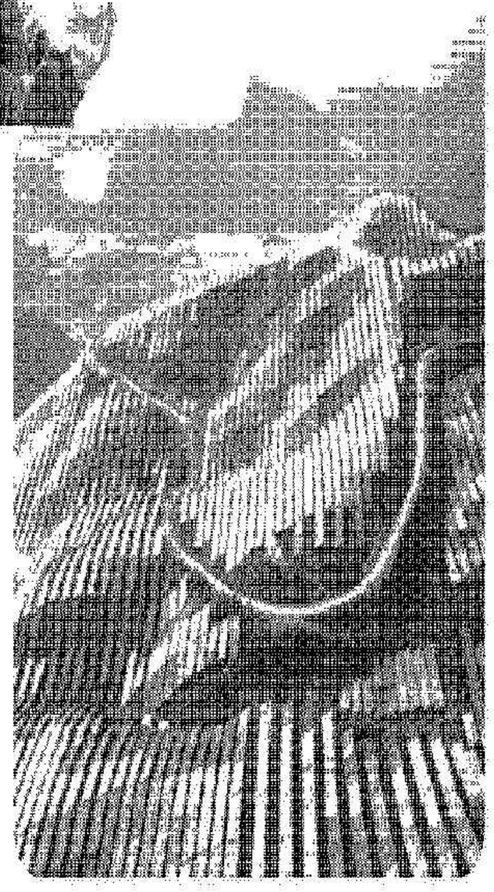
As a company with 44,000 amazing people across the world, working with 400,000+ clients in almost every industry, our TQA products and services are indeed making the world a better, safer and more sustainable place for everybody.

All our ATIC services help to improve our clients' businesses in many ways. But clients also ask us for solutions specifically focused on their operational and corporate sustainability needs.









TSA is our unique, holistic programme that delivers independent, end-to-end solutions and assurance that empower businesses both to achieve, and to communicate with confidence, Sustainability Excellence across all aspects of their operations. With teams of sustainability experts covering all industries in more than 100 countries, TSA comprises three core elements:

- Intertek Operational Sustainability Solutions;
- Intertek ESG Solutions; and
- Intertek Corporate Sustainability Certification.

Our TSA approach uses the deep scientific, engineering and auditing expertise of our sustainability teams to meet our clients' needs with industry agnostic, industry-specific or tailored solutions, with holistic solutions covering everything from consulting and gap assessment, to training, to regulatory reporting and corporate certification and with actual, real-world improvements in sustainability in their operations and value chains.

intertek.com/sustainability

Investing for sustainable growth

As well as focusing on organic growth, during the year we continued to invest in those key areas of interest where we expect demand to grow most in the years ahead. We continued to embed those parts of the business that we bought in during 2022, including Clean Energy Associates LLC ('CEA'), our market-leading Quality Assurance provider to the fast-growing solar energy and energy storage sectors.

We also opened our new Battery Xcellence Centre in Messe, Italy, to meet the battery and energy storage industry's increasing need for fast and reliable testing, assurance and certification services. And we introduced our new Electrification Centre of Excellence near Detroit, Michigan, to support automotive manufacturers with Science-based TSA services in their ongoing shift towards electric mobility.

Thirdly, we integrated advanced PhotonAssay technology into our Minerals laboratory at Tarkwa, Ghana, to improve accuracy, safety and sustainability in gold analysis.

Looking ahead: an amazing 2024 and beyond

There is no doubt in my mind Intertek is well positioned to help customers, regulators and other stakeholders meet the ever-greater demands on their sustainability agendas.

Demand from shareholders, employees, regulators and communities means corporations are having to continuously sharpen their focus on safety, quality and sustainability. The end-to-end solutions we provide will continue to help them ensure their products and businesses are safe and sustainable and are the key to credibility as demand for ever-greater transparency continues to grow.

Corporations of all sizes and in every industry will continue to need the support and expertise with their sustainability journeys that Intertek TSA solutions can deliver. It's the only way for them to gain the peace of mind that comes with knowing they have in place the right quality, safety and sustainability standards, 24/7.

Importantly, we will continue to lead by example by pursuing our Sustainability Excellence agenda, energising deeply and genuinely all stakeholders: our people, our customers, our regulators, our suppliers, our communities and our shareholders.

Let's make the world amazing together.



André Lacroix
Chief Executive Officer

ESG credentials

We actively participate in a range of global ESG ratings, indices and frameworks to benchmark our approach against best practice and emerging sustainability challenges.

MSCI ESG RATINGS AAA

Intertek received a rating of 'AAA' in the MSCI ESG Ratings assessment.[1]

FTSE4Good

We were included in the FTSE4Good Index for the seventh year running.

ISS ESG Prime

Intertek is rated 'Prime' fulfilling ISS ESG's demanding requirements regarding sustainability performance in our sector.[2]

Retail

In February 2024, Intertek received an ESG rating of 18.3 and was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.[3]

CDP

Intertek participates annually in CDP's Climate Change Programme. For 2023, CDP recognised our progress with a 'B' score.

1. msci.com/notice-and-disclaimer.
2. issgovernance.com/esg/ratings.
3. sustainalytics.com/legal-disclaimers.

Sustainability Disclosure Index

The 2023 Intertek Sustainability Disclosure Index is complementary to our published reports and sets out how our latest disclosures map to our own Total Sustainability Assurance standards, the Global Reporting Initiative ('GRI') and applicable Sustainability Accounting Standards Board ('SASB') requirements.

intertek.com/about/our-responsibility

More information on how Sustainability is governed at Intertek can be found within our Directors' Report on pages 46-47

Our approach

Materiality assessment

At Intertek, we recognise the importance of determining and prioritising the key sustainability topics relevant to our business and our stakeholders.

In 2019, we conducted an independent materiality assessment to ensure that views and emerging trends around Environmental, Social, and Governance risks and opportunities are being addressed by Intertek.

While we believe that the material topics identified in 2019 remain true, some areas have evolved in terms of importance to the business and Intertek's internal and external stakeholders.

To reflect this, in 2023 we partnered with a third party to carry out an interim materiality assessment to ensure that our sustainability strategy is on course, and that our previously defined focus areas continue to align with stakeholders' expectations. Intertek is committed to identifying, prioritising and addressing emerging relevant sustainability issues.

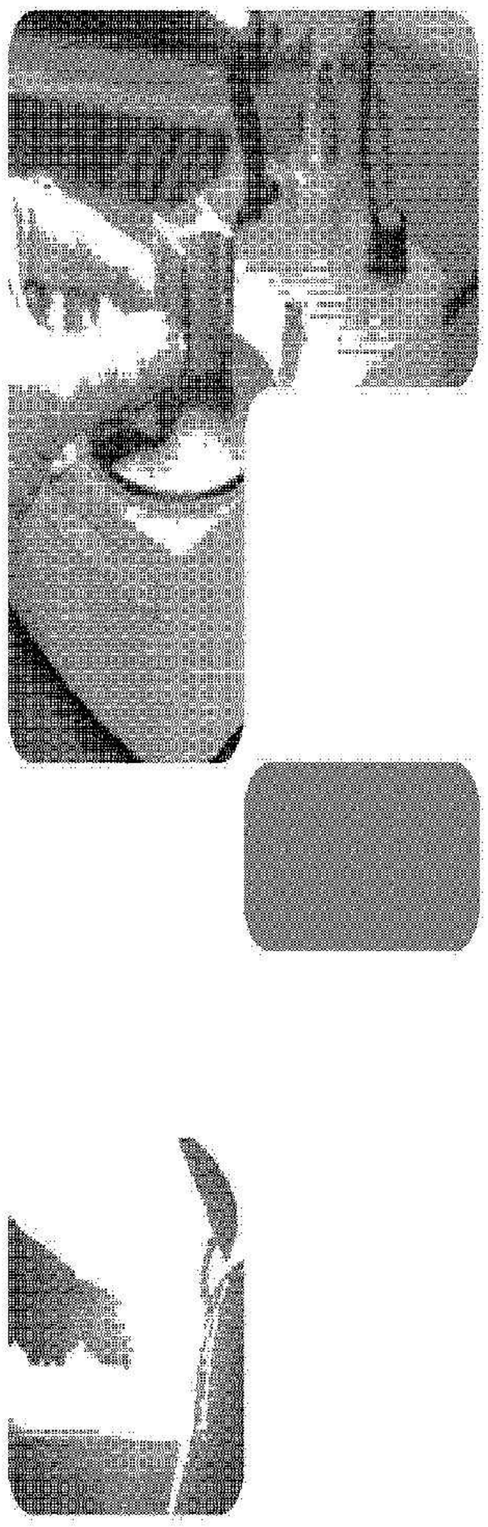
The methodology for the interim materiality assessment included a review of Intertek's existing sustainability disclosures and initiatives, a peer and industry benchmarking analysis, stakeholder analysis, and an analysis of key reporting frameworks. This research complemented a small series of interviews with a selection of external and internal stakeholders. Priority issues were assessed from two viewpoints: the impact of certain issues on Intertek's business and the importance of certain issues for our stakeholders.

Our materiality assessment reaffirmed that our sustainability strategy is on track and our previously defined focus areas remain relevant to both our business and our stakeholders today.

It is our ambition to carry out regular materiality assessments going forward, to ensure we are identifying evolving areas of priority or concern for our stakeholders.

Material issues

Our material issues frame our reporting approach and our performance against these areas can be found on pages 07-09.



Our process and methodology

Review of Intertek's existing materials

Review and analysis of sustainability disclosures, Sustainability Report, current ratings and related initiatives

Peer and industry analysis

Benchmarking analysis examining sustainability reports, reporting frameworks and ESG-related efforts of nine companies from the TIC, compounder and consultancy sectors

Stakeholder analysis

Identification of most relevant stakeholder groups and analysis of key sustainability-related issues and focus areas

Immersion interviews across the business

15 interviews with key external and internal stakeholders on sustainability themes, risks, and opportunities that are relevant to Intertek

Analysis of key raters and reporting frameworks

Evaluation of Intertek's ESG ratings and disclosures across reporting frameworks

Material sustainability issues identified and mapped

- Amalgamation of research and analysis findings as well as interview insights.
- Identification, weighting and prioritisation of material issues based on number of mentions and assigned importance during interviews, industry best practices and wider stakeholder expectations.

Total Sustainability Assurance ('TSA') standards

The TSA programme is based on ten corporate sustainability standards that we believe define a truly sustainable organisation today.

We believe that these TSA standards are the most comprehensive sustainability standards currently available, forming the foundation of our approach, challenging us to view our processes and procedures through this end-to-end lens.

Our ten TSA Corporate Sustainability standards demonstrate actionable, comparable, consistent and reliable disclosures and provide assurance beyond ESG disclosures. They recognise that truly sustainable solutions must address the important operational aspects of every company, to cover environment, products, processes, facilities, assets, systems, corporate policies and stakeholder engagement.

To embed the requirements of all ten standards and review our progress, we carried out a self-assessment for each standard followed by a gap assessment audit of our corporate head office and a selection of operational sites that are representative of the mix of business lines and activities within our operations.

The audit team comprised subject matter experts from our Business Assurance business line, who benchmarked our sustainability programmes against the requirements of each standard.

Performance is benchmarked against requirements and based on maturity. On completion of the benchmarking step the audit team reported their findings and on the extent to which corporate sustainability processes are in place, effective and meeting the intent of the standard.

The outcomes have further fed into our ever better approach and provided valuable insights which will enable us to align our sustainability initiatives and priorities further.

Ten TSA Corporate Sustainability standards

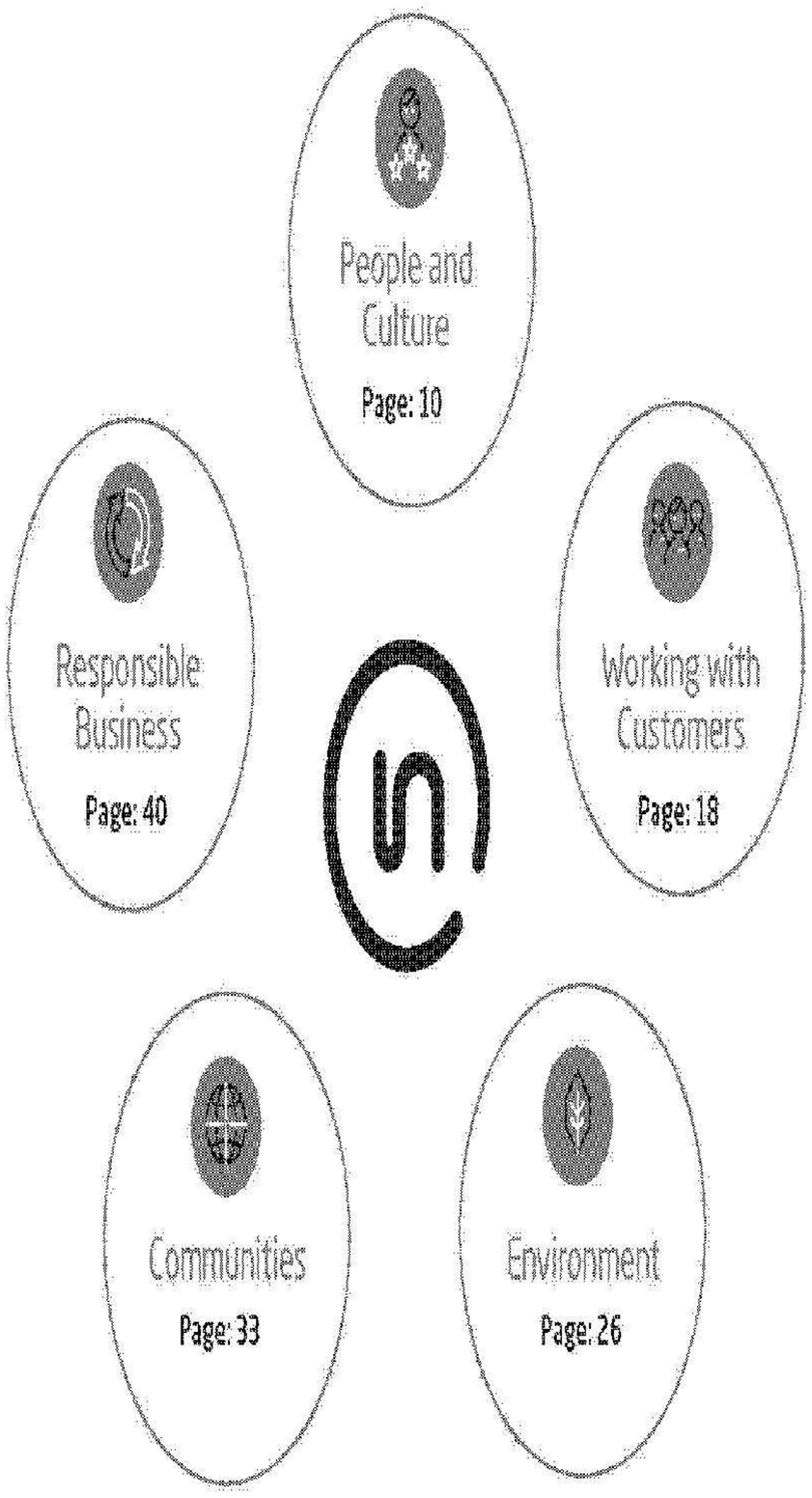
- Quality & Safety
- People & Culture
- Communities
- Governance
- Risk Management
- Communications & Disclosures
- Compliance
- Financial
- Environment
- Enterprise Security

To see more on the TSA standards visit intertek.com/sustainability

Our Sustainability Excellence strategy

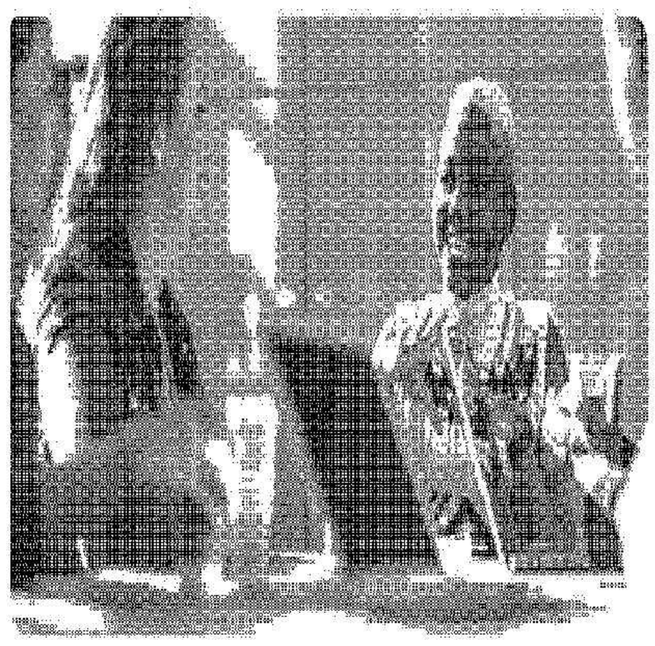
Sustainability Excellence in every area of our operations

Our Purpose is bringing quality, safety and sustainability to life and our Sustainability Excellence strategy is fundamental to our business. We ensure we create positive impacts through the work we do for our clients and we make progress on our own sustainability agenda by engaging our colleagues in our ever better journey. We do this through implementing detailed site-by-site action plans, accurate sustainability performance measurement and strong governance. We hold ourselves to account in line with our own TSA standards, international best practice, the expectations of our stakeholders and future regulations.



People and Culture

Our goal is to have fully engaged employees working in a safe environment.



Material issues

- Diversity, equity and inclusion
- Gender diversity at executive level
- Diversity of age
- Health & safety
- Learning & development
- Employee engagement

Progress in 2023

Over 2023, we have been focusing on creating initiatives that engage colleagues with our inclusive culture.

We launched several initiatives designed to benefit and support our people no matter where in the world.

Initiatives included the Champions engagement programme, the MOSAIC diversity, equity and inclusion training, '10X Onboarding' and the launch of Hazard, our health & safety awareness campaign.

2023 ATIC Engagement Score

87

(2022: 80)

Number of leaders who attended 10X Leadership events in 2023

180

Priorities in 2024

Our people bring exceptional technical skills, expertise and their passion and energy to our business and we will continue to focus on keeping them safe and engaged, offering them exciting personal growth opportunities.

Read more on pages 10-17

Link to risks: 1 3 5 7 10

Working with Customers

Ensure our customers can operate safely and sustainably.



Material issues

- Innovation in services
- CO_2 reduction & targets
- Climate change

Progress in 2023

We are continuing to engage with requests for carbon performance assessments to meet the demands of our customers and track and benchmark our progress.

During 2023, we conducted an average of 5,700 customer interviews each month, providing deep insights into what our customers need and want.

Priorities in 2024

We will continue to provide science-led services and leading-edge innovations to give our customers the solutions they need to overcome their own risks and challenges in quality, safety and sustainability, enabling them to power ahead with confidence.

Read more on pages 18-25

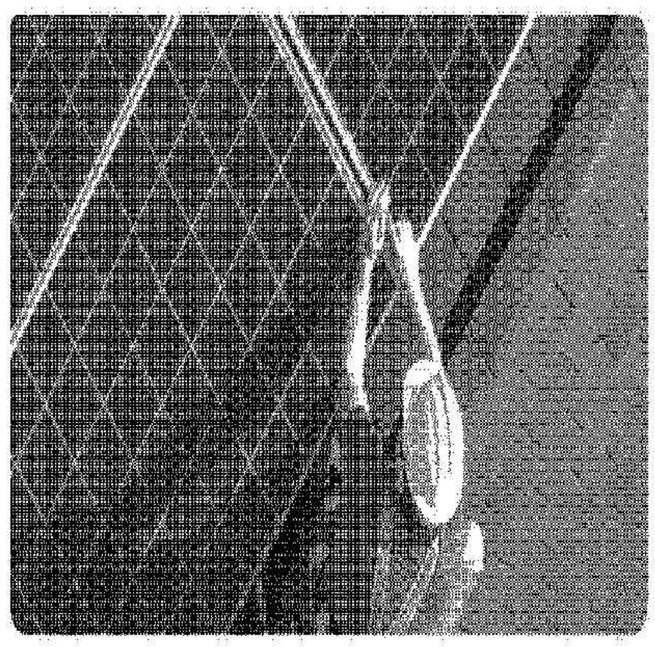
Innovative sustainability services have been core to our global business for more than

100 years

Link to risks: 1 2 4 6 7 8 9 10

Environment

Decarbonise our business by 2050.



Material issues

- Climate change
- CO_2 reduction & targets
- Water management
- Waste & recycling
- Hazardous materials

Progress in 2023

We are continuing to embed our Sustainability Excellence approach across the business to empower our colleagues to take ownership of reducing their own carbon footprint.

Our G+C emissions reduction targets were validated by the Science Based Targets initiative.

Through our G+C emissions performance management programme, we are continuing to empower regional teams to implement tangible and measurable initiatives, ensuring progress towards achieving our reduction targets.

Priorities in 2024

We will continue to focus on minimising environmental impacts from our operations, in compliance with regulations, and to live up to the requirements and expectations of our key stakeholders.

Read more on pages 26-32

Operational emission reductions 2022-2023

-10.8%

Operational emission reductions 2019-2023

-36.7%

Link to risks: 1 2 6 9

Communities

Create positive impacts in the communities where we operate.



Material issues

- Community engagement
- Climate change
- Learning & development

Progress in 2023

Our employees have participated in over 150 community projects this year with 12,415 hours volunteered to support community projects.

Community projects in 2023

150+

Priorities in 2024

We are passionate about making a difference and will continue to take active responsibility to support the communities and environments where we operate to create sustainable growth for all.

Read more on pages 38-39

Link to risks: 1 9 10

Responsible Business

Uncompromising on quality and compliance.



Material issues

- Human rights
- Supply chain impact
- Anti-bribery & corruption
- Business ethics & credibility
- Cyber security
- Data security & privacy
- Board composition
- ESG governance, policy & reporting
- Tax strategy
- Business continuity

Progress in 2023

We are continuing to develop a best practice compliance programme to ensure Intertek operates with the highest standards of compliance and ethical business practices.

We are looking at how we can take steps to choose our suppliers based on their environmental and climate performance.

Priorities in 2024

We will continue to develop our best practice compliance programme to ensure Intertek operates with the highest standards of compliance and ethical business practices, including throughout our supply chain partners.

Read more on pages 40-43

Link to risks: 1 2 3 7 8 9 10

People and Culture

Our goal is to have fully engaged employees working in a safe environment

We truly value our people and by embracing diversity, we strive to build an inclusive and equitable organisation. Our success is based on a culture of trust among our colleagues across all our locations.

Intertek people have exceptional technical skills and expertise together with passion and energy. As a business we endeavour to ensure that everyone feels safe, valued and able to access exciting personal growth opportunities. We respect and protect the rights of our people across operations and throughout our business relationships.

Our People Strategy is all about energising our colleagues to take our Company to new heights.

Employee engagement, human rights and worker health and wellness are core to the long-term success of our business. We strive for a sustainable workforce that is stable, engaged and committed to the organisation, our goals and objectives.

We made much progress in 2023, building upon and launching people-focused programmes designed to make the workplace even better for everyone at Intertek.

Ensuring the health, safety and wellbeing of our employees

Through having fully engaged employees working in a safe environment we will be able to deliver our Total Quality Assurance ("TQA") Customer Promise.

Our aim is to encourage a culture of proactive Employee Safety and Wellbeing ("ES&W") awareness, industry best practice and continuous improvement to increase ES&W performance globally. Our Group-wide 'General Safe Working Guidelines' provide the basis for a common and aligned ES&W standard for all Intertek Sites.

This includes a dedicated fire warden, first aider and ES&W representative at each location. These representatives are empowered not only to investigate incidents and implement preventative and corrective actions, but also to disseminate safety information through training and targeting continuous improvement.

We firmly believe that to drive progress, the performance indicators we track must focus on the diligent implementation of robust processes and actions that lead to building a culture of proactive ES&W awareness.

With dedicated reporting each month for country and business lines supplemented by Incusion in the 5x5 analysis for every site, our global network of ES&W representatives support continuous improvement. By improving our ES&W communication network, we not only have a known contact person in each country and location but also a means of channelling and sharing information and programmes globally.

Customer Promise

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

Intertek in Action

Champions engagement programme launch

Champ ons

At Intertek, we are on a good to great journey to becoming a global icon for Total Quality Assurance, and we are supporting our amazing people in that journey through our exciting new Champions engagement programme, launched in September 2023.

Champions is data-science based, benefitting from the world-leading workplace science expertise of Gallup, and includes regular surveys and team action planning. It is led by line managers across Intertek, and is designed to be simple and quick to implement. We also provided a Champions toolkit to help our people understand the process in more detail, and made a dedicated training programme available to ensure colleagues have all the support they need.

As part of the launch, we each received a personal invitation from Gallup to take part in the first Champions Q12 survey, giving all colleagues the opportunity to rate statements precisely crafted to measure employee engagement. Then, using anonymised results, our managers were able to share results with their teams and plan Champion actions together. This process will be repeated regularly, so that our teams can track their progress and work together on the actions they have agreed upon.

The Champions engagement programme is a hugely important part of working at Intertek, enabling open and constructive dialogue within teams to create a 10X purpose led engagement.



We continue to build an open and trust-based environment that reports and learns from safety risks and incidents. During 2023 we have seen levels of Hazard Observations increase, reflecting greater levels of activity across our sites as well as greater awareness and reporting overall.

The awareness of our employees to be alert to observing hazards and near misses and reporting them immediately was enhanced during the year through the successful launch of our iHazard campaign in March.

The health and safety of our employees and contractors is the utmost priority at Intertek. All of our businesses have robust ES&W training programmes during our induction/on-boarding process, emergency responses procedures, intervention and reporting of Hazard Observations, near misses and safety incidents. We continue to provide appropriate personal protective equipment and continually expand on existing programmes and controls to improve the health, safety and wellbeing of our colleagues.

Our target remains for our TRIR to equal or be less than 0.5. This target is part of the next phase of our ES&W cultural journey and supports our continued aim to achieve zero lost time incidents.

	2023	2022	Change
Hazard Observations	**25,847**	20,992	23%
Near Misses	**2,912**	3,328	(13%)
First Aid	**795**	789	1%
Lost Time Incidents	**122**	93	31%
Medical Treatment Incidents	**101**	95	5%
Fatalities	**0**	0	-
Total Recordable Incident Rate (TRIR)	**0.51**	0.44	7bps

Intertek in Action

iHazard. See it. Say it. Share it.



Our aim is to encourage a culture of proactive health, safety and wellbeing awareness, industry best practice and continuous improvement. Intertek is committed to providing safe working environments and ensuring that our colleagues have the information and resources they need to perform their duties.

In 2023 we launched iHazard, our global safety awareness campaign, designed to ensure that all colleagues are alert in observing and reporting hazards, near misses and other incidents immediately.

At Intertek, there are four distinct types of environments for the work we do: administration, auditing, inspection and laboratory. No matter where we work at Intertek or in which environment we find ourselves, each and every one of us has a duty to take care of our own safety and wellbeing and that of others who may be affected by our actions and omissions at work.

We trust each other to take responsibility for safety at work, ensuring it stays hazard-free, 24 hours a day, seven days a week.

We are constantly improving the way we monitor our global safety performance. We know that by continuously reporting hazards and near misses, we are better able to take proactive steps to ensure that potential hazards and near misses are dealt with before any incident occurs.

Workplace mental health

At Intertek, we consider the health, safety and wellbeing, including the mental health, of our employees, clients and third parties connected with our business to be of paramount importance.

In 2023, we continued to raise awareness for our global wellbeing programme, Kindness. The programme's 'Six Spaces of Wellbeing' are available as e-learning modules from Lucie, our global Learning Management System. The ten-minute modules introduce the theory and science behind each area of wellbeing, providing tips and suggestions on how to benefit and improve in that area, exercises and tools to apply, and information on where to find out more. Our colleagues can also access a personal Kindness journal, to help focus on their own wellbeing goals.

kindness

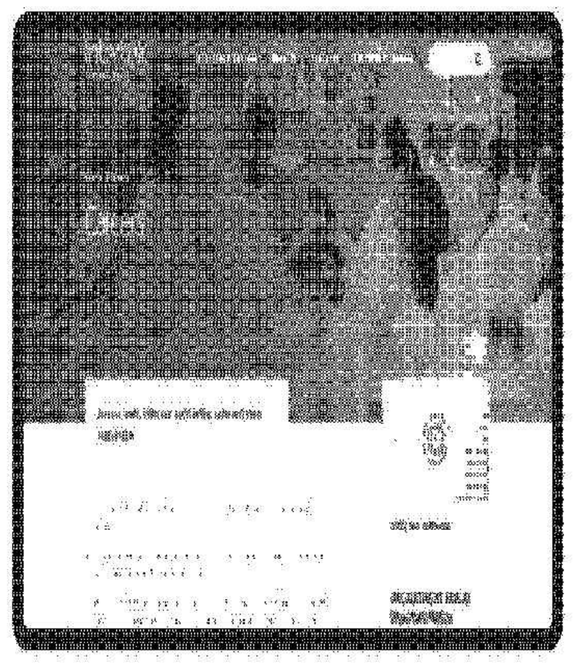
Be kind to your mind

Talent attraction, reward and recognition

We reach out to prospective employees in a variety of ways, depending on location and role, in compliance with local regulations for fair recruitment practices and equal opportunities. We post vacancies on our refreshed website intertek.com/careers and employ various ways of sourcing talented people, where possible. To offer career growth and progression within the Group, we seek wherever possible to fill vacancies from within the business first.

intertek.com/careers

We post vacancies on our refreshed website intertek.com/careers and employ various ways of sourcing talented people



We fully recognise the importance of employee engagement to driving sustainable performance for all stakeholders. In order to measure our employee engagement, we follow the Intertek ATIC Engagement Index, which is based on the key drivers of sustainable value creation within our differentiated ATIC business model, and which measures engagement on a monthly basis in every operation with the following metrics: Net Promoter Score ('NPS'), Customer Retention, Quality, Voluntary Permanent Employee Turnover and Total Recordable Incident Rate.

Our ATIC Engagement Index score increased in 2023 with a score of 87 (2022: 80). We believe engagement levels across the Group are high and our target is to achieve an 'Engagement' Index score of 90 moving forward.

During the year, our Voluntary Permanent Employee Turnover rate averaged a rate of 12.3% (2022: 14%). As we progress our People Strategy, we will continue to aim for a rate below 15%.

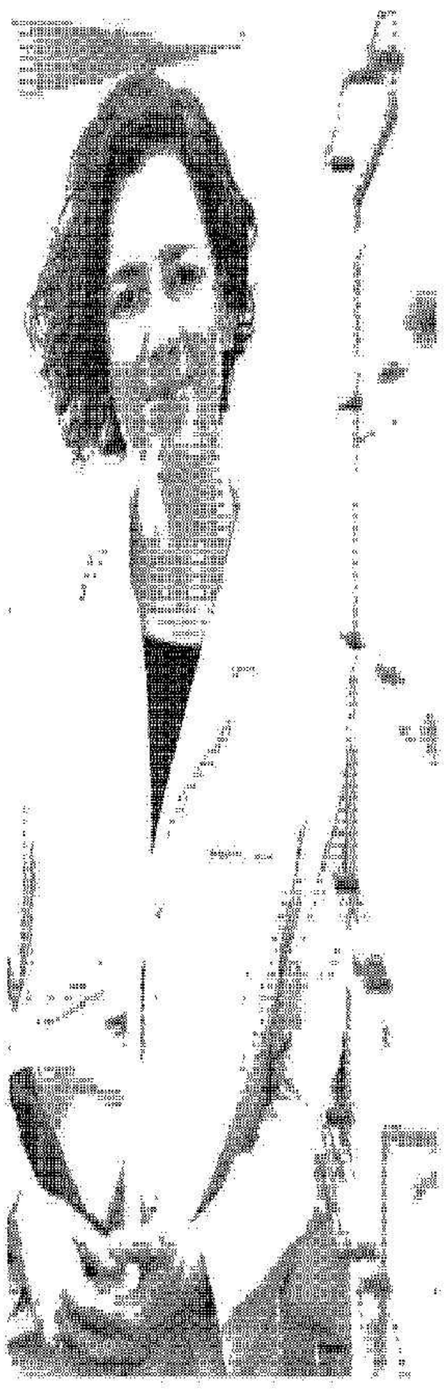
Intertek in Action

A stars

In line with our refreshed AAA differentiated growth strategy, in March 2023, we introduced our exciting monthly recognition programme, 'AAA Stars'.

AAA Stars is about celebrating our top performers across our business lines and regions for their outstanding achievements across the following categories: financial performance, NPS, employee turnover, Net Zero performance and employee safety and wellbeing.

Between April and November 2023, we recognised 562 teams who had achieved between eight and ten 'AAA Stars'.



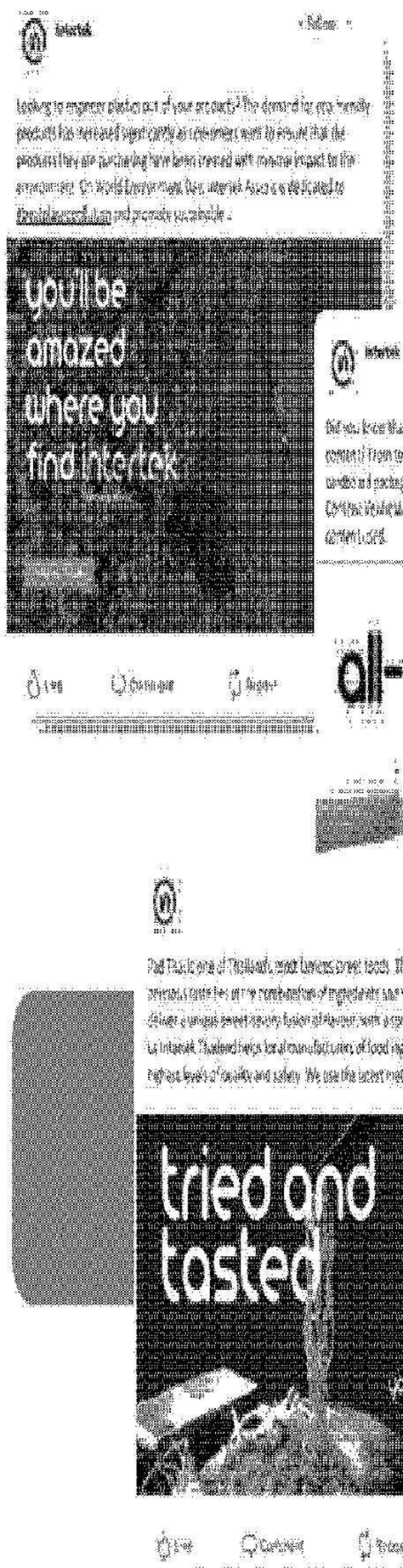
Intertek in Action

Sharing and celebrating the amazing work we do

'You'll be amazed where you find Intertek' is our brand campaign, bringing awareness of the sheer scope of our amazing people's expertise and work. Launched in March 2023, it highlights the mission critical role that Intertek plays in areas from pioneering cancer research to ensuring the safety of wind turbines and helping to assure that the fuel inside Air Force One is fit for flight before take-off.

To energise our colleagues around the campaign and ensure we have the best stories from our global business to share on our social channels and inspire our stakeholders, we created an ongoing monthly competition to recognise the best and most engaging stories.

Here is a selection of winning 'You'll be amazed' stories:



Talent management

To seize the exciting growth opportunities arising from our TQA value proposition, we continually invest in the growth of our people. We aim to hire, inspire, engage and retain the best people to power our AAA differentiated growth strategy, providing the skills to grow our business.

Read more about our new AAA strategy in Book one, pages 10-11.

With an ever better mindset we encourage our people to continuously learn new skills that be relevance their careers and deliver our TQA Customer Promise. Our 10X talent planning process is critical to our future success in delivering our strategy and fostering our culture and Values throughout the year.

Our Purpose:
To bring quality, safety and sustainability to life.

Our Vision:
To be the world's most trusted partner for Quality Assurance.

Our Values:

- We are a global family that values diversity.
- We always do the right thing, with precision, pace and passion.
- We trust each other and have fun winning together.
- We own and shape our future.
- We create sustainable growth for all.

Intertek in Action

New to Lucie - our new 10X Onboarding programme

In November 2023, we were thrilled to welcome new joiners for the first time through our new, global e-enabled 10X Onboarding experience.

The new programme was designed to cover the important information new colleagues need for a successful career with Intertek, but also to deliver it in an easy-to-use and engaging way. 10X Onboarding is now live on Lucie, our bespoke Intertek Global Learning Management System, and every new starter is automatically enrolled on this programme to ensure they feel fully supported. Even existing colleagues are invited to take part in the 10X Onboarding experience, if they feel they want to get to know a little bit more about Intertek and our global operations.

10X Onboarding 1.0 is a self-paced learning experience and includes five modules that are specifically designed to provide new starters with valuable knowledge and tools relating to who we are, what we do, our culture, and our resources. It then brings everything together in the final module that ensures they are ready for the exciting challenges ahead of them.

All of these modules are fully accessible, offering closed captioning and voice-overs to enhance the learning experience. Participants collect stamps in their 'training passport' as they complete each section within each module, or their 'journey'. Once they collect all the required stamps, they receive a certificate to recognise their accomplishment.

The Board as a whole is responsible for ensuring that appropriate human resources are in place to achieve our long-term strategy and deliver sustainable performance. Global talent and succession planning for the Group Executive Committee are discussed regularly.

In employment-related decisions, we comply with all applicable anti-discrimination requirements in the relevant jurisdictions. We have zero tolerance for discrimination and harassment.

Reward and recognition

Reward plays a key role in attracting, motivating and retaining talent. Intertek is compliant with minimum wage and mandatory social contributions requirements in all jurisdictions where we operate.

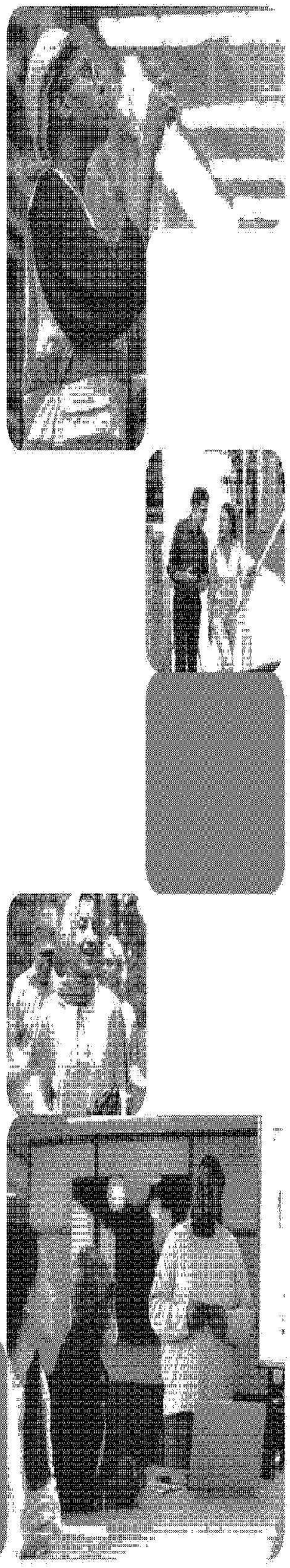
At Intertek, remuneration for all employees follows the same policy and principles as for the senior executives. The Remuneration Committee has oversight of this. Read more about this on pages 80-86.

We depend on local management to define and maintain competitive compensation practices that appeal to both existing and future talent.

All employees are remunerated in accordance with local policies and guidelines. The remuneration comprises elements which are fixed, and in some cases, variable. The fixed elements are base salary and benefits including pensions, where applicable. The variable elements include incentives, both short and long term.

Across the world employees who are eligible for a bonus follow the same metrics, thus creating alignment on our strategic goals throughout the organisation.

Recognition plays an important part at Intertek, and we take every opportunity to recognise great performance across the business through our internal channels.



Skills development

As a provider of quality, safety and sustainability assurance services, Intertek relies on a skilled workforce. We are committed to offering attractive career development opportunities and believe in personal growth for every employee. We know that when each of us is growing and developing, we move faster along our good to great journey.

Over the years we have made great progress with our Leadership Development agenda as well as enhancing the tools and applications available to enable people to grow and succeed in their careers.

We ensure that all employees receive adequate coaching, development and training to be fully competent to carry out their role. This is supported by our many Group-wide programmes including talent planning processes, the 10X Journey that provides structure for individual growth planning, our 10X Energies that help define winning behaviours and '10X Way' training to help address key development and training needs.

The individual learning journey of each employee is supported with diverse learning opportunities that are continually refined based on business need, employee feedback, best practices, trends and new technologies.

There are many programmes across the business, providing in-house and external learning opportunities. We recognise the wide range of sectors we support requires different types of technical training, education and support.

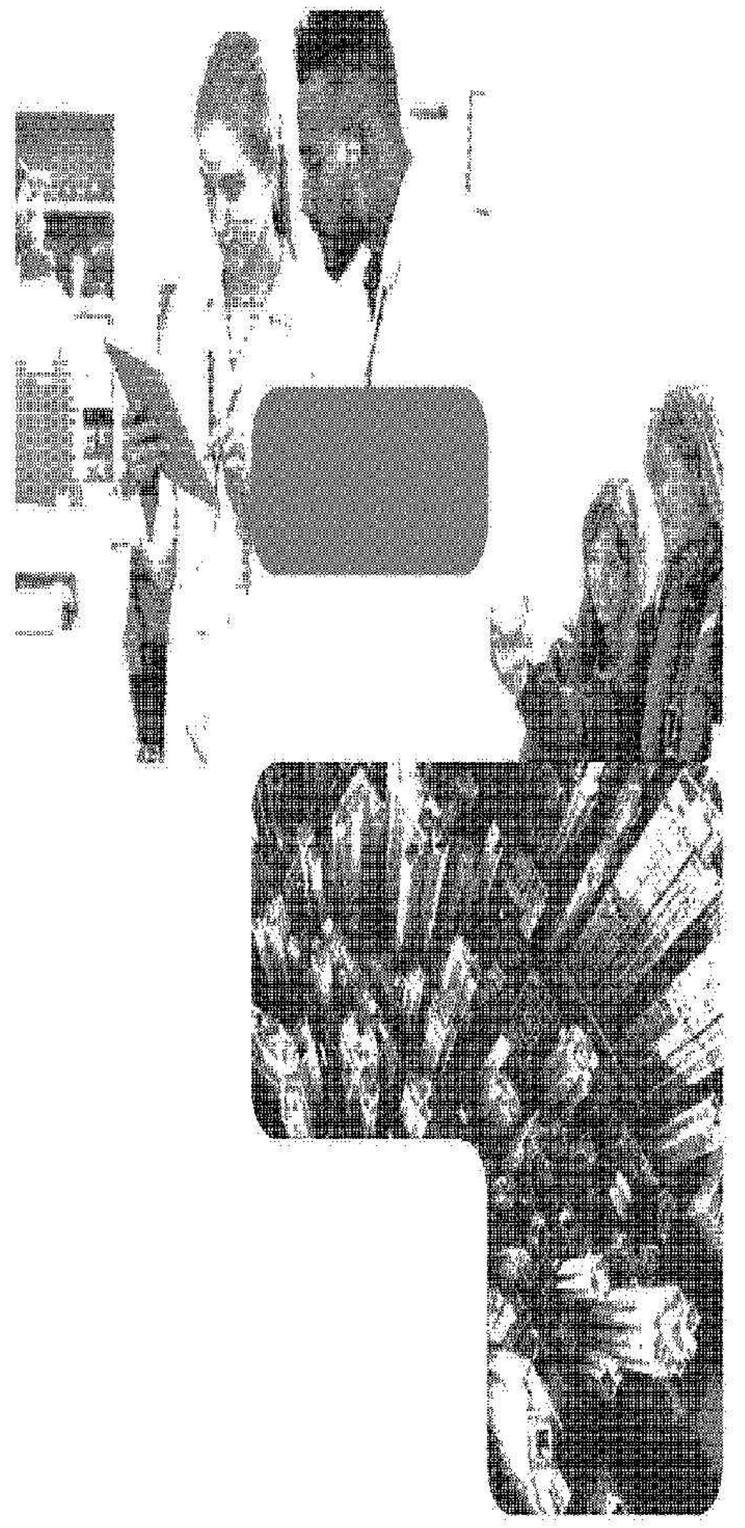
We offer:

- apprenticeships;
- internship programmes;
- college degrees;
- professional qualifications;
- formal and informal workshops and seminars; and
- coaching.

Diversity, equity and inclusion

At Intertek, achieving ever better performance depends on being constantly open to pioneering new ideas that enable us to improve what we do and how we do it. For us, this means having an organisation that is truly diverse, equitable and inclusive.

Read more about Board leadership and diversity on page 69



Intertek in Action

10X Leadership and Coaching

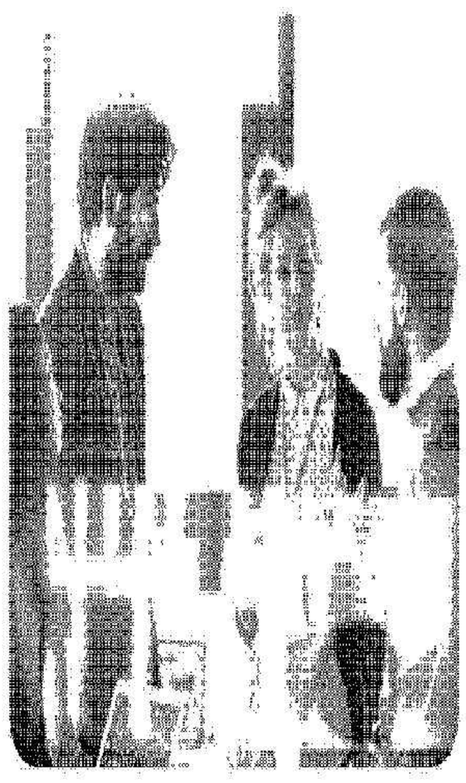
During 2023, 180 of our leaders took part in our 10X Leadership programme, led by our CEO, André Lacroix.

Our in-house 10X Coaching programme continues to flourish and we now have 27 fully certified 10X Coaches. Our 10X Coaches are paired with colleagues to have truly transformative conversations that create a culture and environment where people can unleash their full potential.

Across all other programmes our employees engaged with and completed over 720,000 hours of training.

100%

of our employees are offered, as a minimum, yearly discussions on growth and development.





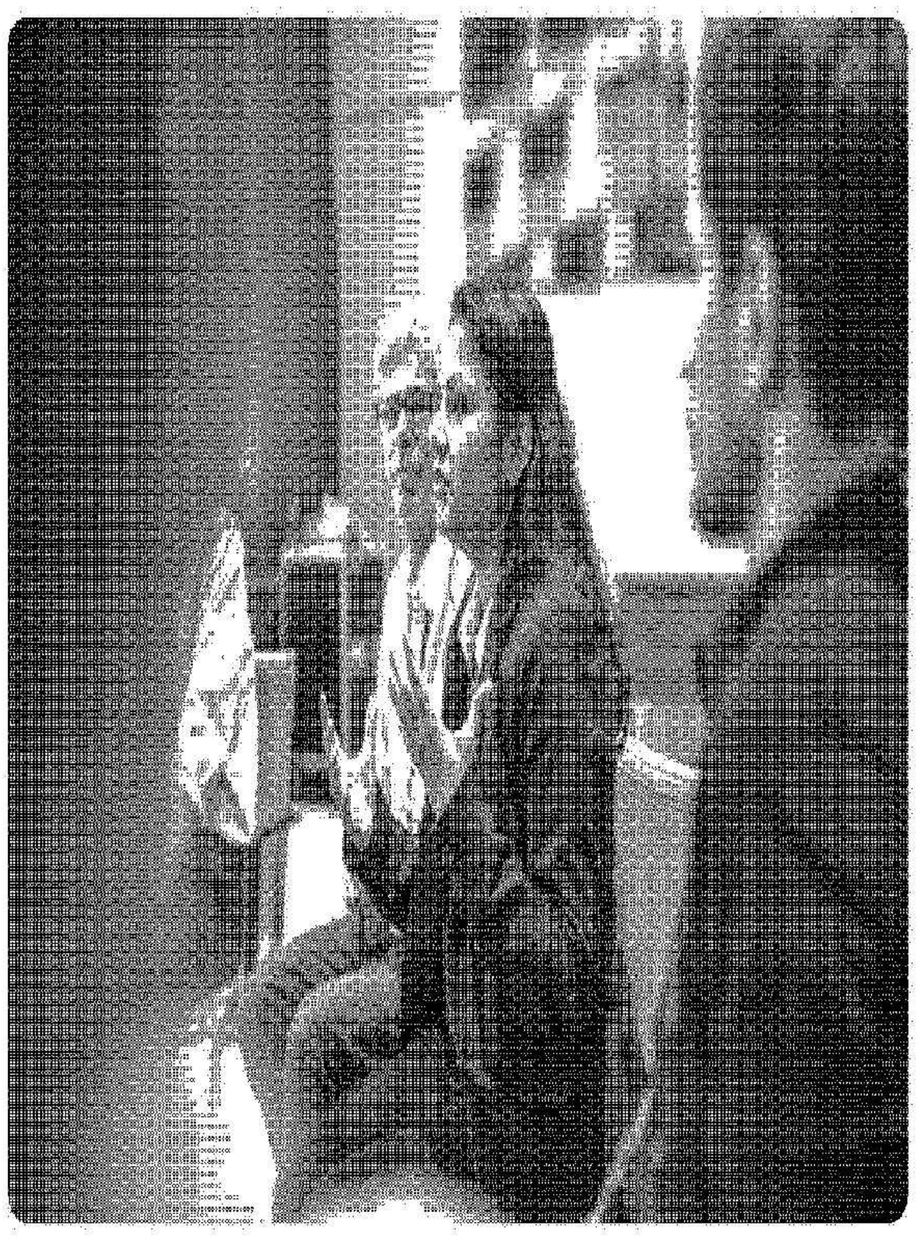
Intertek in Action

A beautiful MOSAIC, bringing together a global family that values diversity

At Intertek, we believe in the power of diversity. Diversity of origin, gender, religion, orientation, education, experience and of course, character. At any business, it is essential to put people at the heart of the growth strategy to deliver sustainable value and make a meaningful contribution to society. It all starts with diversity, as a business cannot create magic without it.

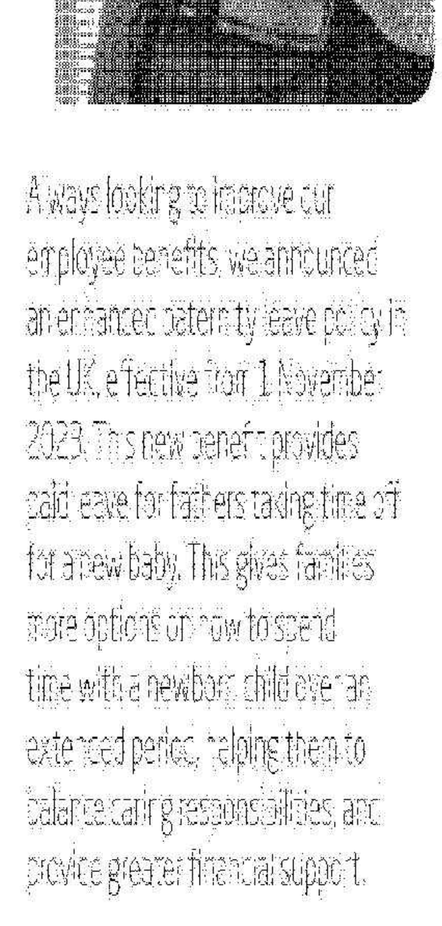
By embracing our differences, working together, and listening to one another, we can find a better way not just to do business, but to live our lives. That's why we are very proud to launch MOSAIC, our Diversity, Equity and Inclusion programme, an exciting new platform that brings our people together through practical workshops and provides them with a range of valuable resources.

Together, our people are a rich mosaic of diverse and talented experts, passionate about building an amazing world, and committed to always showing respect and understanding the needs of colleagues, customers, suppliers, shareholders and communities.



Intertek in Action

Enhanced paternity leave in the UK



Always looking to improve our employee benefits, we announced an enhanced paternity leave policy in the UK, effective from 1 November 2023. This new benefit provides paid leave for fathers taking time off for a new baby. This gives families more options on how to spend time with a newborn child over an extended period, helping them to balance caring responsibilities, and provide greater financial support.

Intertek has a history that goes back over 130 years, evolving from the combined growth of a number of innovative companies from around the globe. Diversity has always been at the heart of who we are and will continue to provide the power behind our success in the future. With team members from over 100 countries - all with different backgrounds, cultures and beliefs - our diverse workforce makes us the leading company we are today.

To achieve the optimum mix of skills, backgrounds and experience, workforce diversity needs to go beyond discussing the percentage of women to also include other diversity indicators. As a business we want to ensure that we have the right capabilities to deliver our strategy. We recognise the value that individuals of different backgrounds and capabilities bring to the business.

Our diverse workforce helps us to understand, communicate and trade with our vast client base through their understanding of local issues and cultures. They add value in assuring our services are tailored to our customer needs, which underpins sales growth, customer retention and satisfaction.

We demonstrate that we are an inclusive and diverse global family by applying all employment policies and practices in a way that is informed, fair and objective. This covers all policies relating to recruitment, promotion, reward, working conditions and performance management. Our Inclusion and Diversity policy facilitates a culture of inclusiveness where people are able to perform at their best, where their views, opinions and talents are respected, harnessed and not discriminated against.

We are committed to maintaining the highest standards of fairness, respect and safety.



Gender diversity

We are determined to develop and retain more women in senior roles.

Our goals

Improving gender balance is critical for us. We continue to focus on gender diversity by attracting, developing and retaining more talented women, particularly at senior levels.

We continue to pursue our goal to increase the number of women in senior management roles to 30% by 2025.

Metrics and performance

35%

of our global TQA Experts are women.

We ensure that men and women are paid equally for doing equivalent roles and we are committed to a number of measures to ensure we provide an energising workplace, free of any gender bias, where employees can flourish based on their talent and efforts.

To strengthen this, we ensure that our shortlists of external female candidates have a balance of gender diversity.

We remain committed to equality and provide flexible working where possible and provide mentorship to women to address the gap in gender numbers at senior levels.

Our overall workforce is 35% female representation and 65% male representation. We are increasing our focus on achieving greater gender balance at Senior Leader level and above and have seen improvements over the past year, particularly at Group Executive Committee level where female representation has increased from 13% to 28%. We have also seen small improvements at Senior Leader level (from 22% to 24%). More detail on the gender diversity of our Board as well as Ethnic diversity disclosures for the Board and Group Executive Committee can be found in the Nomination Committee report on page 69.

Intertek TQA Expert by level

	Male	Female
Group Executive Committee	19	5
Senior Leader[1]	181	55
Whole organisation	28,499	15,409

1. Direct reports to the Group Executive Committee.

Intertek TQA Expert by region

	Male	Female
Americas	8,272	3,251
Asia	12,313	8,582
EMEA (Intl Central)	7,914	3,576

Intertek in Action

'She Power' week in China



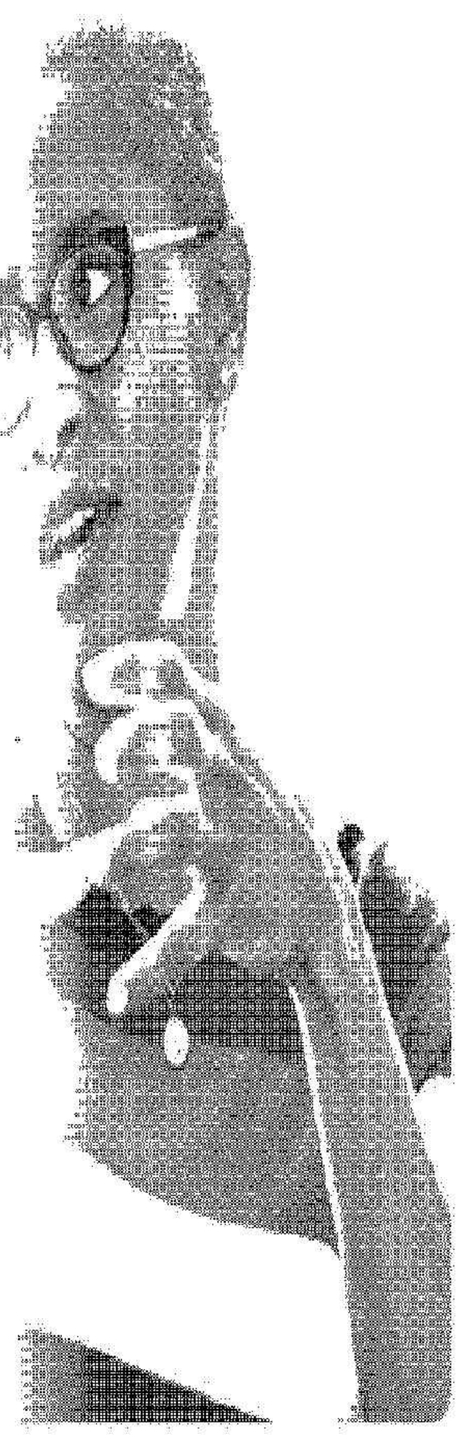
At Intertek China International Women's Day prompted a week of events demonstrating the value we place on our female employees. These included the She's Amazing contest, which selects outstanding women across our businesses in China, recognising their achievements and presenting them as role models. We also ran a series of training programmes specifically for women and launched a video featuring female colleagues and their experiences at Intertek.

Intertek in Action

Menopause support in the UK

In August, some 20 colleagues from the UK Hardlines Softlines business came together for the first meeting of the UK Menopause Network. Set up to provide support and education for anyone going through the various stages of menopause, the network also offers useful information for those not currently affected, who want to know what to expect or how they can help colleagues, partners, family or friends.

With a British Menopause Society survey finding that 45% of women feel menopausal symptoms have a negative impact on their work – and 25% consider leaving their job – this is an issue that needs serious consideration. Our Menopause Network is a good starting point, helping to build a supportive culture.



Talent across all generations

We value all of our colleagues, regardless of age, and have practices in place to develop and retain workers of all ages.

Our goals

We will continue to develop proactive approaches to recruitment to ensure we have an age-diverse and balanced employee age profile.

Metrics and performance

58%

of our global TQA Experts are under the age of 40.

The technical expertise needed in many parts of our complex business is acquired over several years. This is reflected in the overall average age of 39.

We will continue to promote and encourage fair, consistent and thoughtful working practices that are in accordance with our Values.

As Intertek, we are proud to be an equal opportunities employer.

We consider all qualified applicants for employment regardless of gender, ethnicity, religion, orientation, age, disabilities and other protected characteristics.

Disability inclusion

Adopting a universal design mindset.

Our goals

To adopt a disability inclusive mindset as well as deliver on our commitment to the Valuable 500.

This is centred around incorporating disability inclusion criteria into the full spectrum of products and services we offer our clients.

Metrics and performance

We believe that in order to create rapid, system-level change specific to disability inclusion and equity, we must actively seek out opportunities to collaborate with other businesses who hold the same values and are equally committed to affecting change.

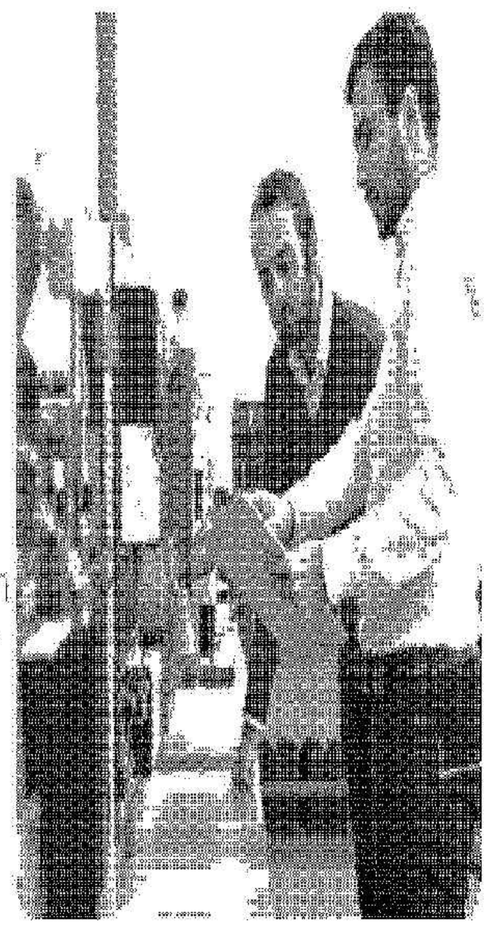
We also recognise the gaps in the global business community's knowledge of employees with disabilities and are supportive of the call for greater visibility of the current state of affairs.

We are assessing the guidance recently published by the Valuable 500 on self-identification and will look to implement these learnings into our approach.

Intertek in Action

Accessible product design

Our UK Electrical team has developed a new service offering to help electrical product manufacturers assess and improve the accessibility of their products. With 16% of the global population estimated to be living with a disability or impairment, inaccessible product design has a huge impact on consumers. Our aim is to help manufacturers develop next-generation products that are truly inclusive in their design, functionality and usability.

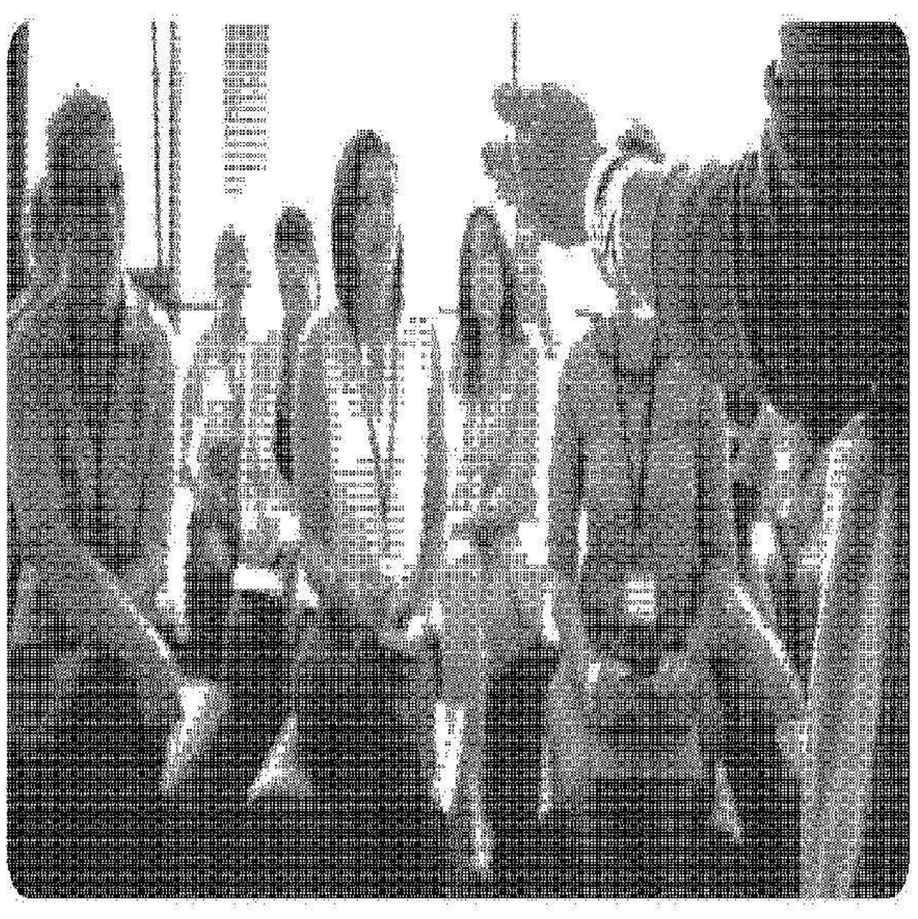


Intertek in Action

Accessibility training for marketing teams

In May 2023, the global marketing team took part in training that provided guidance on ensuring Intertek's marketing and communications are inclusive and accessible to all.

The session focused on the best ways to make content accessible, for example including alt text on imagery, ideal colour contrasts for design, closed captions for videos, as well as other useful tips for marketeers to implement.



Cultural diversity

(arising from country of origin)

Cultural diversity supports our global business and is key to our success.

Our goals

We are committed to cultural diversity and will ensure that Intertek's colleagues are representative of the countries where we do business.

Metrics and performance

45

different nationalities across our senior leadership.

We recognise that comprehensive diversity monitoring is foundational to our diversity and inclusion strategy, which lies at the heart of our culture. We continue to monitor protected characteristics and to promote further transparency, particularly at senior level, and have plans to update our diversity monitoring.

In addition to cultural diversity arising from country of origin, we have plans to enhance our reporting on ethnicity.

Read more about the diversity of our Board on page 65

Working with Customers

We ensure our customers can operate safely and sustainably in a complex world

Innovative sustainability services have been core to our global business for more than 100 years.

Through our leading-edge innovations and integrated ATIC solutions, we are uniquely placed to help our customers understand, achieve and validate their existing and emerging sustainability goals.

Capturing the right data to optimise operations

Identifying and managing risks that can impact our service quality is key to ensuring customer satisfaction. Our 5x5 metrics tool and processes enable the collection and review of performance metrics across the areas of sales, customers, people, finance and operational excellence that are fundamental to disciplined performance management.

The 5x5 metrics provide every Intertek site and team leader with 360° insight into their business to guide their decision making and ultimately lead to superior business performance.

Customer focus

To become the most trusted partner for Quality Assurance, we have made a promise to our customers: Intertek TQA expertise, delivered consistently with precision, pace and passion, enabling our customers to power ahead safely.

Intertek has a strong focus on customers, at all levels of the organisation, and our customer relationship management is integrated into our approach through key account management structure and dedicated sales teams.

Our Marketing & Sales Operations team works closely with business lines and country leadership to drive continued improvements across marketing, sales and digital tools to ensure that every aspect of customer engagement aligns with our TQA Customer Promise.

Customer Promise

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

Listening to our customers

Since 2015, we have used the NPS process to listen to our customers. These insights give us a deep understanding of what our customers need and want, fuelling our innovations. Our customer interviews keep us laser-focused on delivering an 'ever better' service. During 2023, we conducted an average of 5,700 interviews each month.

Average NPS interviews per month

5,700

Accelerating positive sustainability impact

We recognise the importance of sharing our own sustainability journey with our customers, partners and local communities.

We actively engage with requests to support individual sustainability and carbon performance assessments, including EcoVadis and the CDP Climate Change questionnaire.

This gives us the opportunity not just to meet the demands of our investors and customers, but also to uncover risks and opportunities and track and benchmark our progress.

We aim to collaborate as a trusted supply chain partner to deliver improvements in the areas most material over the long term and accelerate sustainability impacts. We are here to help our stakeholders understand sustainability, why it matters, and how to effectively integrate it within business.

Channels of customer interactions

- Customer meetings
- Emails and phone calls
- Web enquiry responses
- Workshops and seminars
- Social media communications

Supporting our customers with their sustainability agendas

As a Total Quality Assurance provider, we are in a strong position, given our global scale and expertise to support the sustainability goals of our customers with our industry-leading Total Sustainability Assurance solutions.

Intertek in Action

Providing EDGE certification for a multinational financial services company

Intertek is helping a multinational financial services company to demonstrate its commitment to diversity, equity and inclusion (DEI), across 71 locations around the world by helping it renew its EDGE Assess certification.

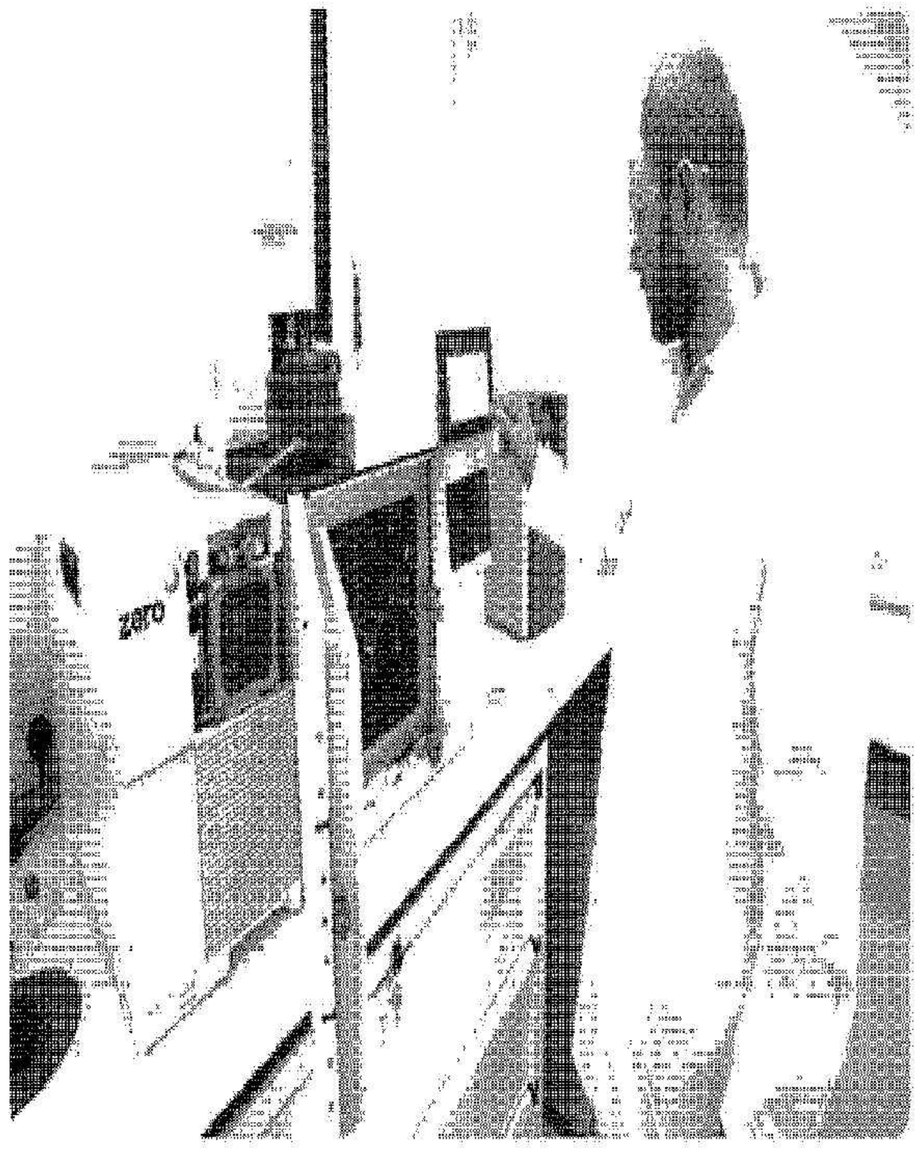
EDGE ('Economic Dividends for Gender Equality') is the foremost global standard focusing on gender and intersectional equity in the workplace. It provides a comprehensive framework that enables companies to demonstrate their commitment to DEI with authenticity and credibility to all stakeholders, including employees.

The company initially achieved its EDGE Assess certification for gender equality in early 2022, encompassing nearly 80% of its global workforce and 68 distinct entities. This certification was a significant milestone in its DEI journey.

The Intertek Business Assurance team in Italy has been actively collaborating with the company to renew this certification. As an authorised third-party certification body by EDGE, we deployed a team of 20 specialists to conduct thorough audits at various facilities belonging to the company during October and November 2023. This process underscores our commitment to promoting gender equality and supporting organisations in their continuous efforts towards a more equitable and inclusive workplace.

Intertek in Action

Synthetic fuels that will power the engines of the future



We have formed a strategic and commercial partnership with Zero Petroleum, the pioneering energy company developing groundbreaking synthetic fuels for a fossil-free future.

Zero® synthetic fuels, which are made from just air and water, are a breakthrough in the transition towards cleaner energy sources. These advanced fuels, backed by Formula One legend Damon Hill OBE, have been designed to be used as direct replacements for traditional petroleum-based fuels in various applications, including transportation, aviation and agriculture.

This collaboration enables Intertek to contribute to the evolution and certification of Zero Petroleum's synthetic fuels. These e-fuels are compatible with existing engine designs, offering a direct replacement solution. They hold the potential to bring substantial benefits to industries and consumers alike, bolstering energy independence and aiding the journey towards a carbon-neutral future.

Intertek's cutting-edge laboratories and specialised facilities will be instrumental in analysing the fuel's composition, emissions and compliance with rigorous industry standards and regulatory requirements.

Intertek in Action

New website launched

The redesigned Intertek.com is higher energy and more immersive for a best in class customer experience, giving visitors fast insight into the Science-based Expertise behind our unique, industry-leading ATIC solutions.

Visit intertek.com



Intertek in Action

An innovative approach to reducing energy consumption

Our cutting-edge Good Manufacturing Practices ("GMP") pharmaceutical laboratory in Reinach, Switzerland, has forged a transformative partnership that will revolutionise our approach to liquid nitrogen usage.

Working with a neighbouring technology company, our GMP pharmaceutical laboratory in Reinach is replacing energy-intensive liquid nitrogen generators with an innovative tank system. Together, we are enhancing sustainability while preserving the essential role of liquid nitrogen in pharmaceutical production.

This collaboration is projected to yield substantial benefits. We anticipate a reduction of approximately 1,000 tonnes of CO2 emissions annually, equivalent to the carbon footprint of around 100 households. Moreover, we expect to save over 1,000 MWh of energy annually, enough to power approximately 300 households for a year.

Our partnership with the neighbouring technology company will ensure a reliable supply of liquid nitrogen and nitrogen gas for sample preparation and drug analysis. We expect this collaborative leap forward will lead to a 15% reduction in both companies' annual energy consumption, demonstrating our commitment to better environmental stewardship and the progress we can make in the pharmaceutical industry.

Intertek in Action

Supporting Nestlé to fulfil its sustainability pledges

We are collaborating with Nestlé to certify 158 of its sites under the ISO 14001 standard, a move that spans 15 certificates and has a strong presence in North America, Europe and the Asia, Oceania and Africa zone. The ISO 14001 standard plays a critical role in effectively managing environmental aspects and complying with regulatory requirements. Through this certification process, we are making a significant contribution to Nestlé's sustainability efforts, enabling the company to integrate sustainability practices into its core business processes and daily operations seamlessly.

We also support Nestlé with its CARE initiative, which is the company's Corporate Compliance Assessment Program. This programme covers a wide range of areas, including human resources, safety, health, environment, business integrity and security. A key focus of our collaboration is environmental sustainability, which is crucial for Nestlé as it strives to meet its sustainability commitments.

Intertek in Action

Collaborating on Nespresso's innovative coffee capsule recycling programme

For several years Nespresso and Intertek have collaborated to oversee and verify Nespresso's unique capsule recycling programme.

During the recycling process, the capsules are shredded to separate the coffee grounds from the aluminium. The aluminium is then recycled, while the coffee grounds are repurposed into biogas and soil improver, contributing to environmental sustainability.

Coffee enthusiasts have multiple convenient options for recycling their Nespresso capsules. These include returning used capsules to designated collection points, dropping them off at Nespresso boutiques, or utilising Nespresso's innovative Recycling@Home service. This comprehensive recycling programme underscores Nespresso's commitment to environmental responsibility and Intertek's role in ensuring the effectiveness and integrity of sustainable practices.

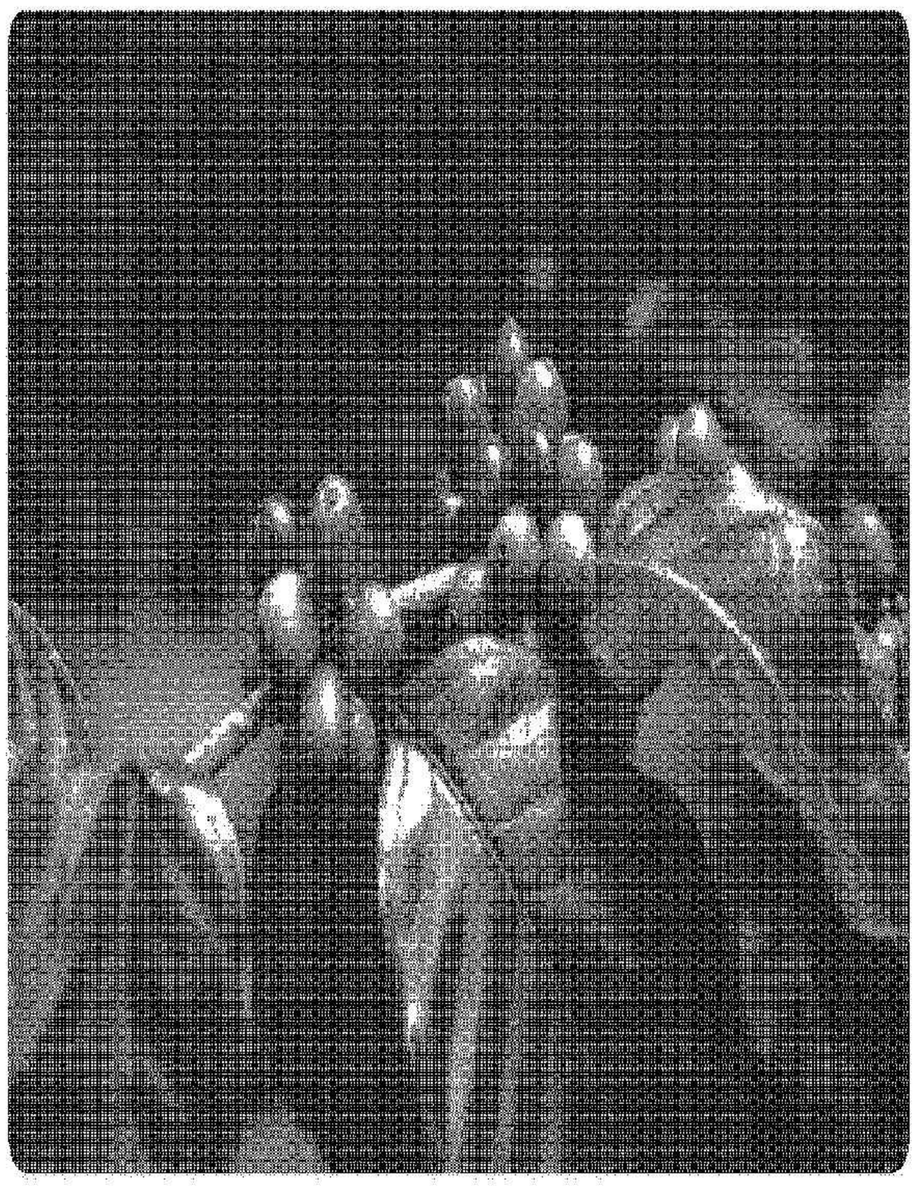
Intertek in Action

Developing an open-access genetic fingerprinting database for coffee

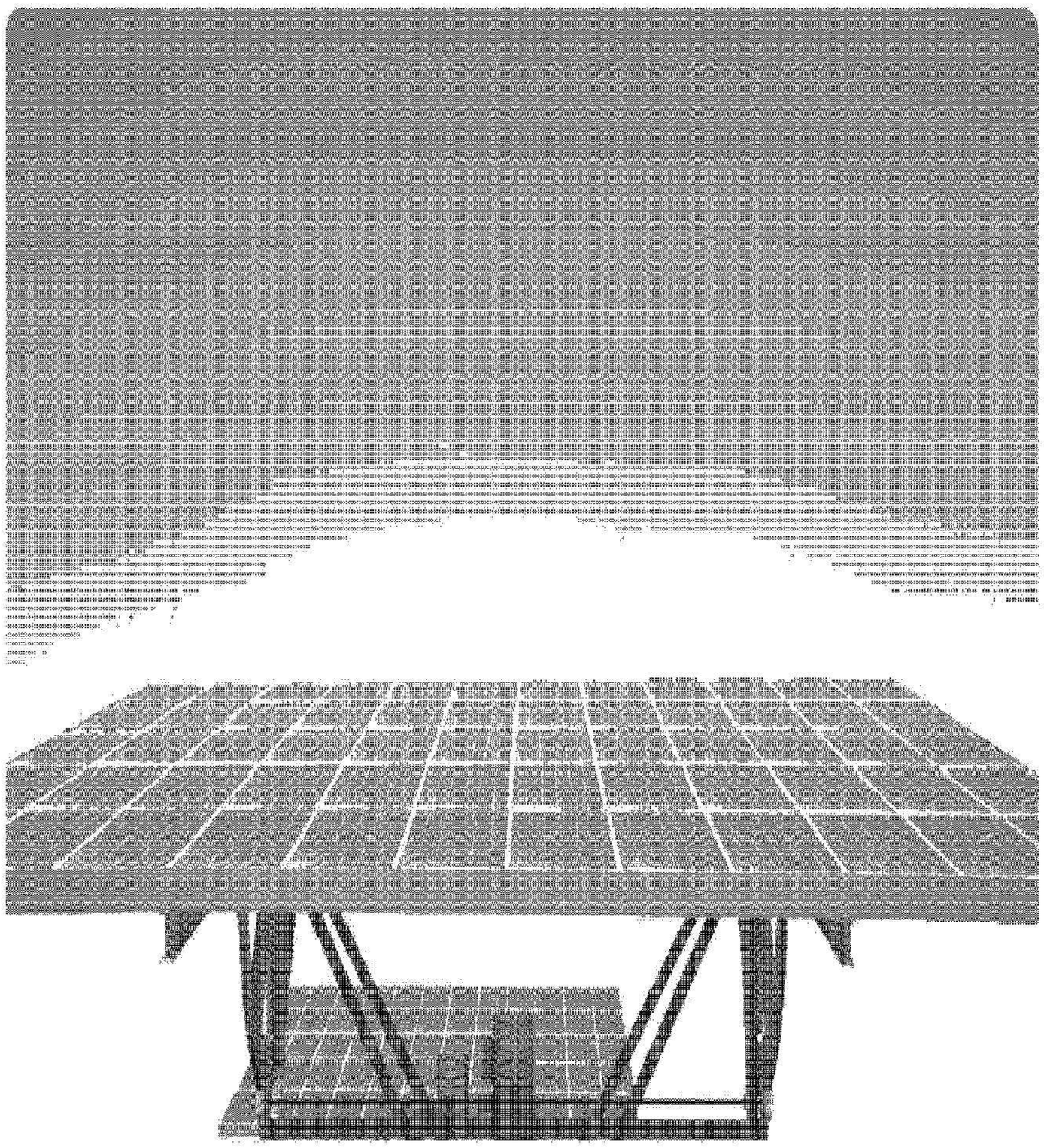
The Intertek AgriTech team is at the forefront of a transformative project in the coffee industry, collaborating with World Coffee Research ("WCR"), a leading non-profit organisation dedicated to fostering a sustainable future for coffee.

This partnership focuses on developing an open-access database that houses essential genetic information about Arabica coffee, a resource poised to revolutionise the sector.

This initiative is designed to empower coffee farmers globally by providing easy access to vital genetic data. The collaboration has seen our AgriTech experts working closely with WCR to offer extensive training in sample collection methods, conduct DNA extraction and provide genotyping services. Additionally, we have been instrumental in offering consistent technical support, aiding WCR in building this comprehensive genetic fingerprinting database.



Intertek in Action



Illuminating the path towards a brighter, more sustainable future

Solar trackers are innovative devices that optimise panel positioning by following the sun's path, maximising energy output and reducing costs.

When a global solar tracker manufacturer wanted to solidify its commitment to disclosing its environmental impacts, it partnered with our Intertek Assurn Sustainability team. Our tailored approach helped the company develop a comprehensive Life Cycle Assessment study and Environmental Product Declaration for its trackers. This has allowed the manufacturer to assess the entire life cycle of its product, offering insights that have fuelled further collaborative efforts to minimise the environmental footprint of its solar trackers.

This partnership is a testament to our joint commitment to sustainability. As the world embraces renewable solutions as part of the energy transition, Intertek illuminates the path towards a brighter, more sustainable future where solar power takes centre stage.

Intertek in Action

Assisting diverse businesses with Total Quality Assurance

Micro, small, and medium-sized enterprises ('SMEs') play a crucial role in the global economy, accounting for more than 90% of all businesses and approximately 70% of jobs worldwide.

At Intertek, we are dedicated to assisting businesses of all sizes and sectors in achieving Total Quality Assurance. Our ATIC services focus on enhancing safety and sustainability.

A notable example of our support for small businesses is our work with Piglets Pantry. This small enterprise has been awarded the BRCGS STARTR certification, a recognition aimed at smaller sites to foster the development of comprehensive food safety systems. This certification has enabled Piglets Pantry to demonstrate exemplary food safety standards and maintain robust traceability in its supply chain, which helps it deliver its homemade bakery delights to homes across the UK.

Intertek in Action

Developing educational resources for increased ESG ambitions

Intertek in Malaysia has developed a comprehensive suite of courses for a semi-government professional training institute in Sarawak as the country ramps up its environmental, social and governance ('ESG') ambitions.

The courses, designed to get local professionals up to speed on the different ESG and greenhouse gas ('GHG') standards and requirements, were based on various industry and country-specific standards including the Global Reporting Initiative ('GRI'), and the International Organization for Standardization. They cover topics such as risk management, supply chain risks, accounting and reporting, sustainability reporting, carbon neutrality and net zero.

The knowledge gained from these courses will empower companies and the local workforce to meet upcoming ESG reporting standards and carbon pricing regulations in a world where transparency and accountability are becoming increasingly important.

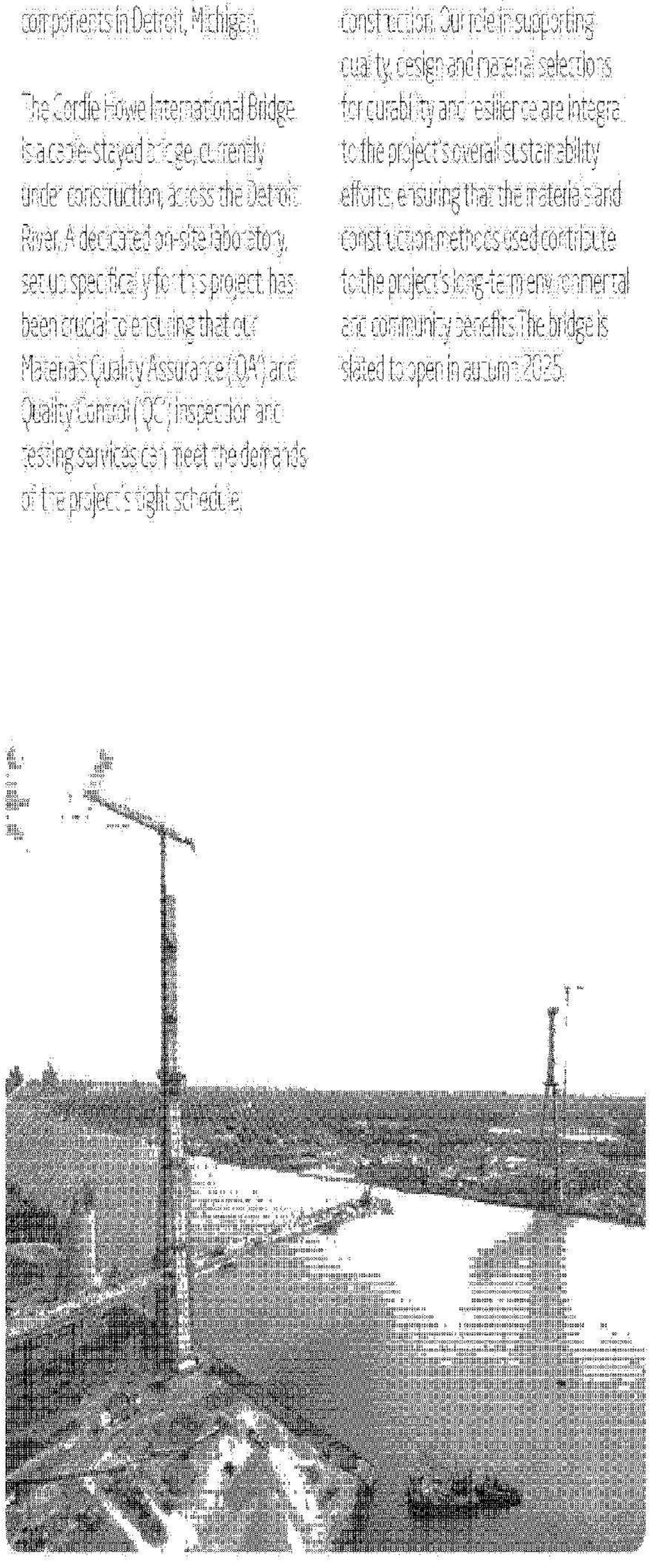
Intertek in Action

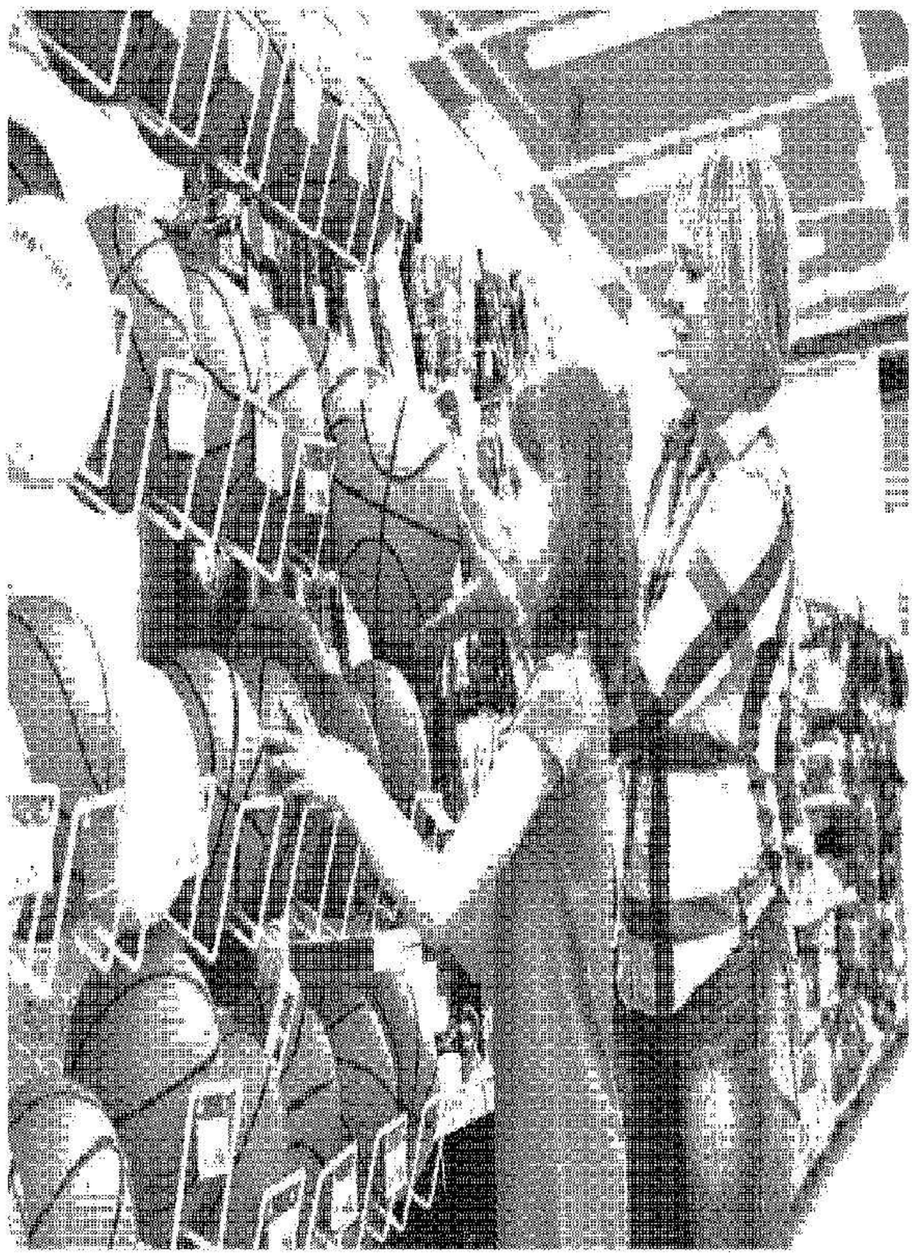
Intertek-PSI: helping to build sustainable, forward-looking infrastructure

Since late 2020, Professional Service Industries, Inc. (Intertek-PSI) has supported the Gordie Howe International Bridge project's U.S. Port of Entry and I-75 interchange components in Detroit, Michigan.

The Gordie Howe International Bridge is a cable-stayed bridge, currently under construction, across the Detroit River. A dedicated on-site laboratory, set up specifically for this project, has been crucial to ensuring that our Materials Quality Assurance (QA) and Quality Control (QC) inspection and testing services can meet the demands of the project's tight schedule.

Intertek-PSI's involvement in the project aligns perfectly with our sustainability ethos of prioritising social, environmental and economic responsibility in building and construction. Our role in supporting quality, design and material selections for durability and resilience are integral to the project's overall sustainability efforts, ensuring that the materials and construction methods used contribute to the project's long-term environmental and community benefits. The bridge is slated to open in autumn 2025.





Intertek in Action

Helping sports manufacturers make better decisions

Lowering environmental impact while maintaining the top performance consumers demand from their sports gear is becoming increasingly important for manufacturers.

Intertek's impact can be seen across many of the world's favourite sports. We are on the tennis court, golf course, baseball diamond, basketball court and soccer field, helping our sporting goods clients stay ahead of the game when it comes to understanding the environmental impacts of the gear they make and sell.

The Sustainability team at Intertek Assurance helps manufacturers make material and process decisions that make tennis balls, football kits or baseball gloves even better. Our Green Product Development Assurance Solution empowers consumers to make more informed decisions when they buy their gear, as our clients can efficiently communicate the environmental impact of their products. Meanwhile, our integrated approach ensures the sustainability, quality, safety and performance attributes of a product are optimised from conception all the way through the product's life cycle.

Intertek in Action

Supporting CarbonLeap in fuel switch and carbon intensity reduction

Intertek is playing a pivotal role in supporting CarbonLeap's initiative to reduce CO_2 emissions, providing expert witness, measurement and verification services for fuel blending. This collaboration is crucial in ensuring the precision and effectiveness of CarbonLeap's CO_2 savings initiatives.

CarbonLeap, a Dutch project, focuses on accelerating the market for voluntary CO_2 reductions, particularly through biofuel blending in marine and heavy road transport sectors in the Netherlands. The initiative is designed to assist cargo owners and their clients in decarbonising their supply chains through a unique product named Carbon Fuels.

Intertek's role involves meticulously witnessing, measuring and verifying the blending processes and carbon intensity of fuels used in marine and road transportation. Our comprehensive team comprises specialists from Intertek Caleb Brett, Intertek Entec and carbon footprint experts from the Intertek Carbon Clear certification group. With such a diverse and global team of professionals, we are exceptionally equipped to support companies in achieving their net zero ambitions, making significant strides in environmental sustainability.

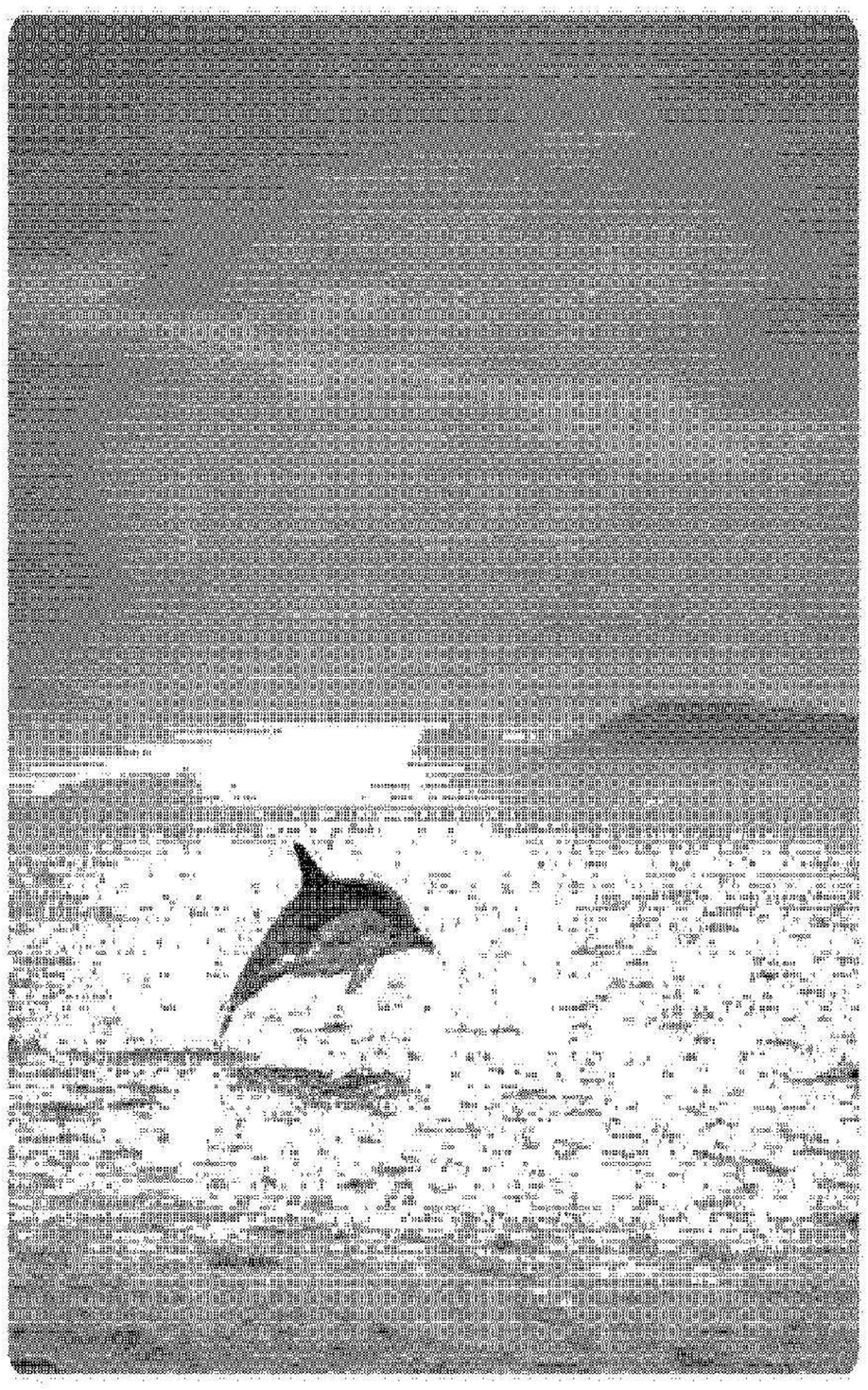
Intertek in Action

Delivering Environmental Assurance Services in Irish Offshore Waters

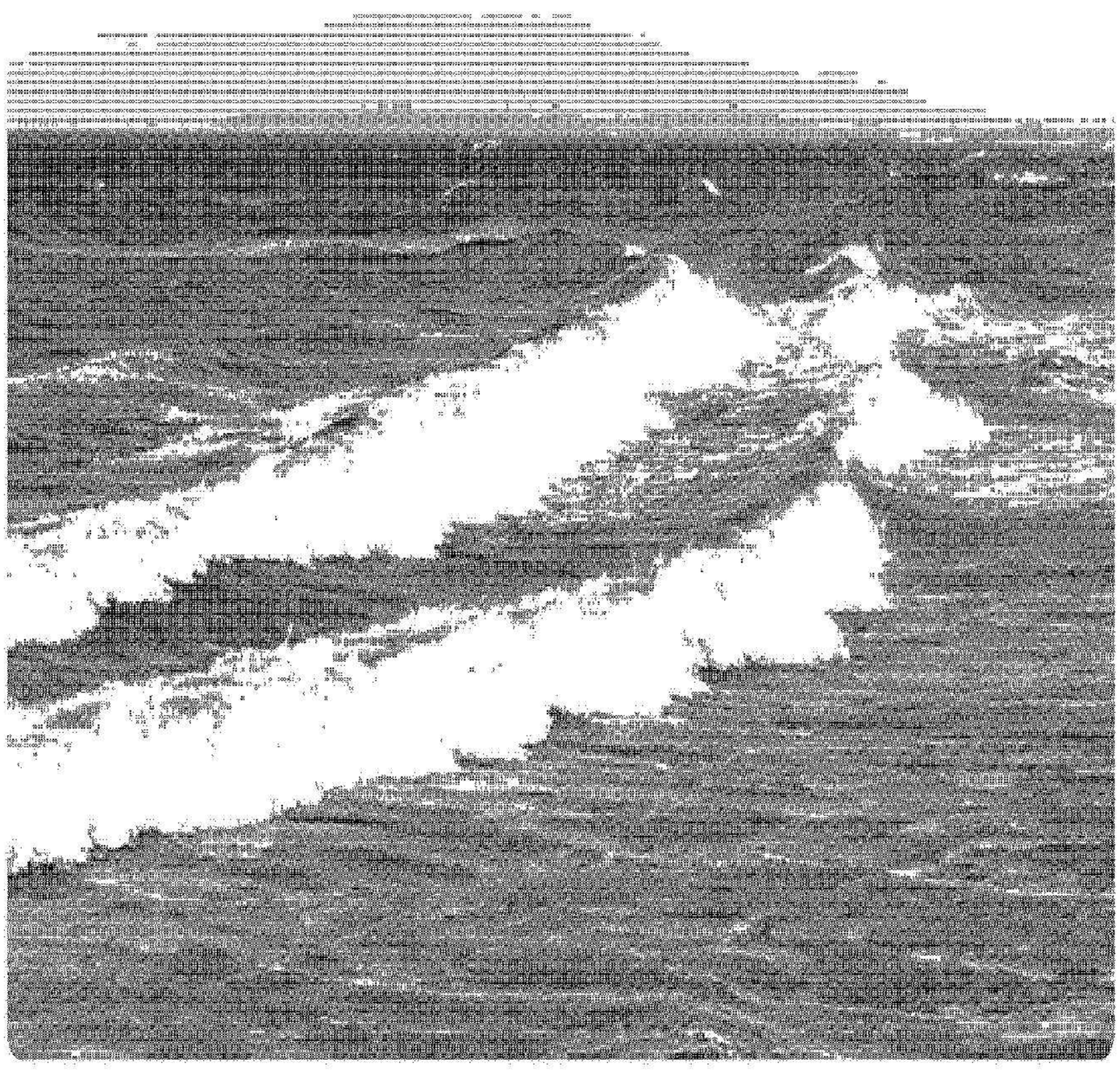
Intertek completed a Strategic Environmental Assessment ("SEA") and an Appropriate Assessment ("AA") for the Department of the Environment, Climate and Communications ("DECC") in Ireland.

These assessments were of the newly adopted Plan for assessment of applications for Petroleum Exploration and Production Authorisations in Irish Offshore Waters for the Period to 2030. We conducted a screening exercise to identify the environmental impacts of the exploration activities to fulfil the requirements for SEA and AA, both of which are necessary under European legislation.

The assessments provide an operational baseline for exploration companies to assess their proposed activities, ensuring the protection of the marine environment. As part of the process, our team supported the DECC in engaging with environmental stakeholders and members of the public to ensure that key environmental and social considerations were fully integrated into the Plan.



Intertek in Action



Preparing for Ireland's Wave Energy Converter Project

Intertek has successfully completed the management of two years of marine megafauna and bird surveys on behalf of Seorse Wave Energy Ltd, a joint venture between Simply Blue Group and ESB.

Ahead of the proposed Wave Energy Converter ("WEC") Project on the west coast of Ireland, we have organised aerial site surveys and terrestrial landfall surveys to quantify the bird, marine mammal and other marine megafauna populations that are using the site. This data will contribute to the ecological impact assessment. As well as delivering the surveys over the two-year period, we have also been responsible for processing and quality assurance of the bird and marine megafauna data, including habitat modelling, analysis and species mapping.

When developed, the Seorse project will be the first array-scale wave energy conversion test and demonstration project in Ireland and the largest in the world. It has been designed to prove the viability of WEC technology through long-term deployment in the harsh, energetic conditions of the North Atlantic. Wave energy has long been recognised as a tremendous potential renewable energy resource, allowing for the balance of grid demand while also enabling the transition from fossil fuel energy production. The Seorse project will allow Ireland to be among the first commercial users of this new clean energy resource, helping the country achieve its net zero goals by 2050.

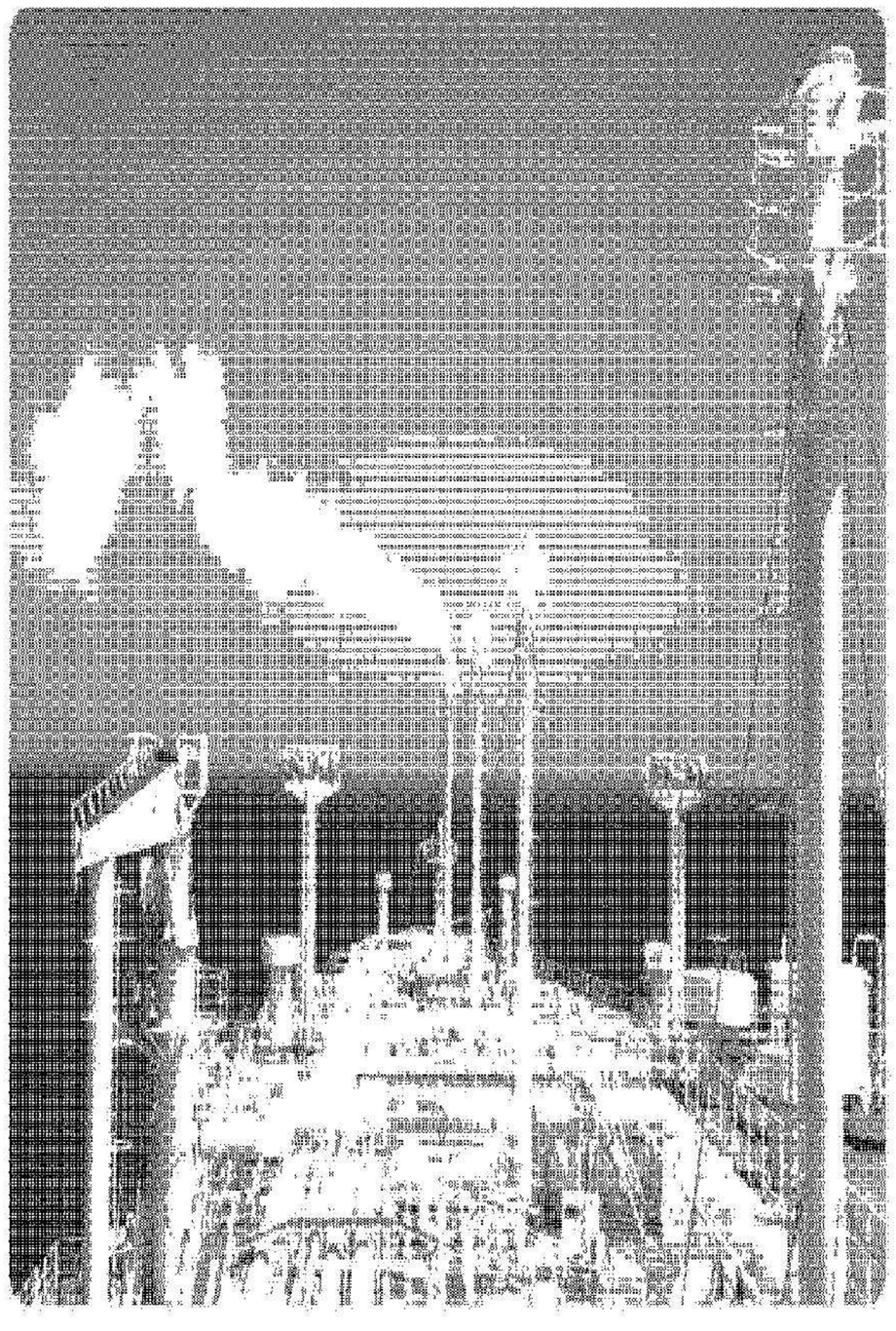
Intertek in Action

Using quantification data for baseline reduction management of methane emissions

Intertek has worked closely with a major European energy company on executing the collection of methane emission quantification data using drones and other methods.

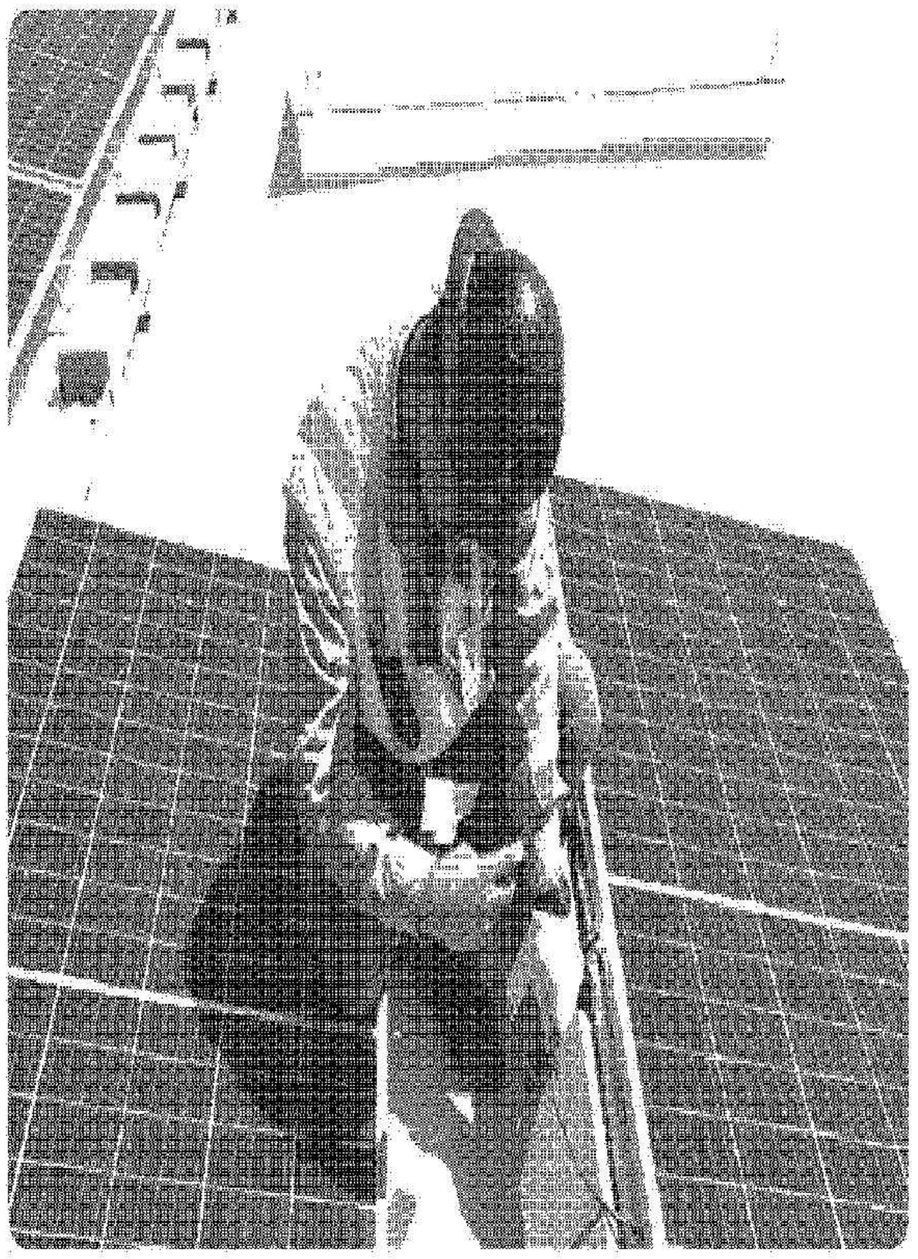
While the reduction of greenhouse gas emissions focuses heavily on CO_2, there is growing awareness that methane is 80 times more potent in its first 20 years in the atmosphere. So, reducing methane emissions can have a much greater and immediate effect on managing climate change.

Data is required to baseline and more accurately determine the current emission levels, then to measure the progress in management and reduction of those emissions. Intertek has strong expertise in this area having executed numerous methane data acquisition missions and is accredited under MiQ - the fastest growing and most trusted methane emissions certification standard - to independently certify natural gas extraction and production facilities (onshore and offshore) with transparent, data-led grading allowing higher and lower emissions gas to be identified across the supply chain.



Intertek in Action

Resolving safety concerns and keeping people safe at solar installations



Intertek Clean Energy Associates ("CEA") audits rooftop solar installations, identifying significant risks and providing safe and effective solutions.

Intertek CEA has identified a variety of problems at solar installations around the world, noting that because most are caused by poor installation practices, many can be resolved relatively easily before they lead to fires, safety risks and potentially costly liabilities.

Our audits of more than 600 commercial rooftop solar systems in over 12 countries found that nearly all, 97%, had major safety concerns. The leading concerns were related to grounding issues, damaged cables, cross-mated connectors and poor terminations. All of these factors could lead to dire consequences, with hazardous equipment or current leakage leading to increased maintenance requirements and significant system downtime from short circuits or inverter faults. But more importantly, they could also endanger on-site personnel and significantly disrupt the businesses operating under the rooftop systems, so any risk identified must be remediated urgently.

Intertek in Action

Helping to restore soil fertility for chilli farmers in India

Intertek India's Food Lab in Hyderabad has been helping chilli farmers involved in backward integration projects, a practice which sees businesses take greater control over the earlier stages of their supply chains. We have supported farmers in the Wyadu, Guntur and Bhadrachalam areas in and around Telangana state through integrated pesticide management. We help to test their soil, water and pesticides for quality and suitability before crop cultivation. The soil is tested for fertility and the pesticides for purity and adulteration to ensure that the cultivated soil is sustainable for coming generations. These sustainable practices are enabling the farmers to grow good quality products for export to the rest of the world.

Intertek in Action

Supporting ocean cleaner InResST® in creating environmentally friendly fabrics

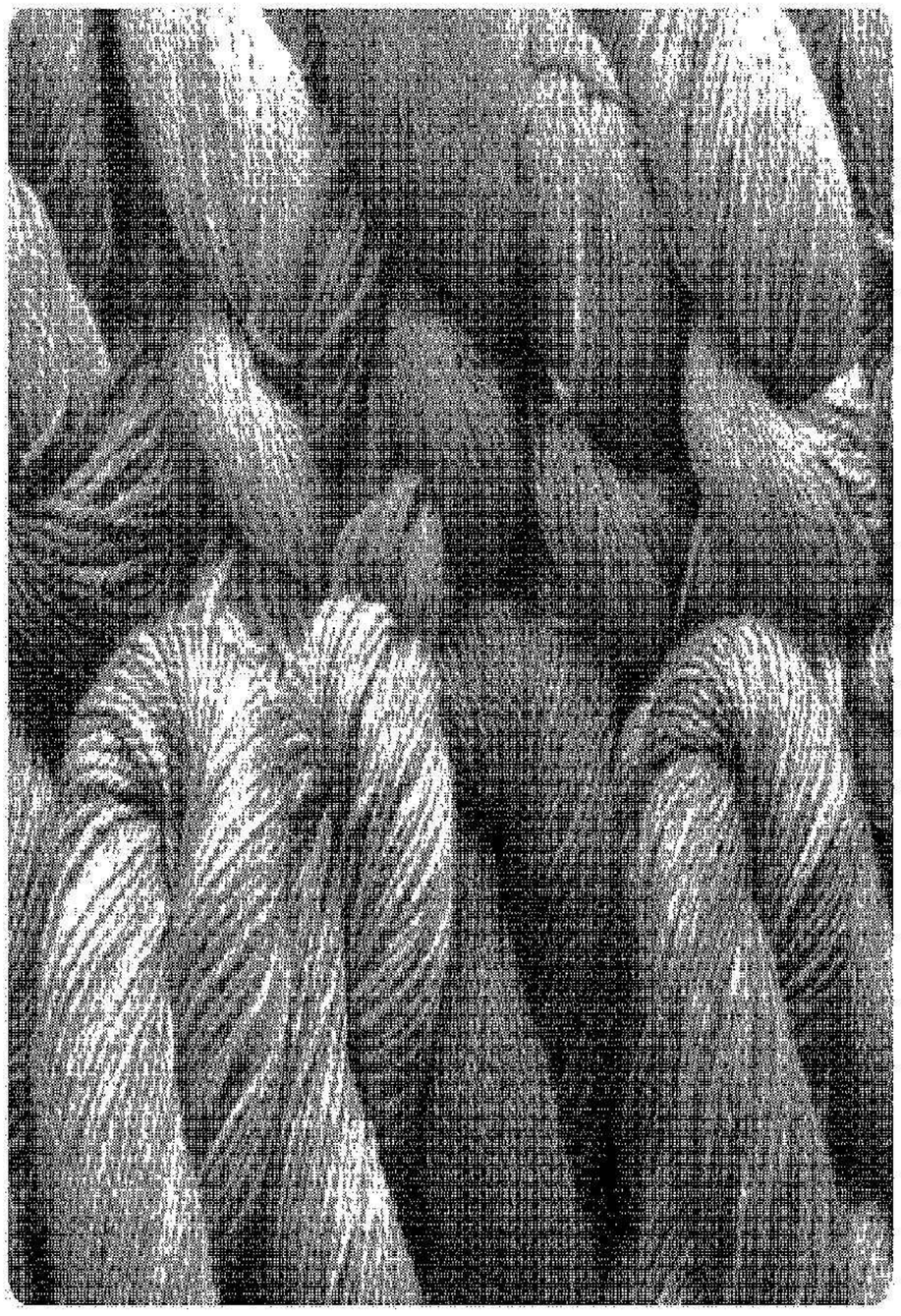
Intertek has conducted accounting and verification of InResST®'s manufacturing process for raw material processing, transportation, production and the packaging of two products.

InResST® is a low-carbon, environmentally friendly innovative material company. It focuses on the feasibility research, development, production and promotion of the use of discarded fishing nets in textiles, clothing and other daily products. All InResST® products are derived from abandoned nylon fishing nets following deep-sea fishing activities.

Intertek works to ensure the sustainability of InResST®'s green products, providing downstream brand customers with credible environmental impact data reports on the company, which supports their protection of the marine environment.

Intertek in Action

Certifying Huafu's product carbon footprint



Global textile maker Huafu has been awarded Intertek's Product Carbon Footprint certification for ten consecutive years, validating its commitment to sustainable product development.

Huafu's dyed yarn, produced using a pre-dyeing and blending process in which some fibres are dyed before being blended with raw fibres, offers significant advantages in terms of water conservation and pollution reduction. Compared to the traditional process of dyeing yarn after spinning, this innovative approach saves more than 60% of the water used and reduces wastewater by over 60%.

This provides notable benefits in energy efficiency, emission reduction and environmental preservation, as demonstrated by Intertek's Product Carbon Footprint certification. Before making the award, we always conduct a comprehensive end-to-end assessment of the greenhouse gas emissions for Huafu's cotton and cotton/modal dyed yarns. We have consistently found that Huafu's dyed yarns outperform traditional dyed yarns in terms of environmental benefits.

Intertek in Action

Wastewater analysis and monitoring to support Peru's fishing industry

The fishing industry is a vital source of food and employment in many parts of the world, but it faces significant environmental challenges due to pollution from the wastewater it produces. If not managed properly, this pollution can affect soil and the air, however, the main concern is usually the return of contaminated effluents – liquid waste or sewage – to rivers and the sea.

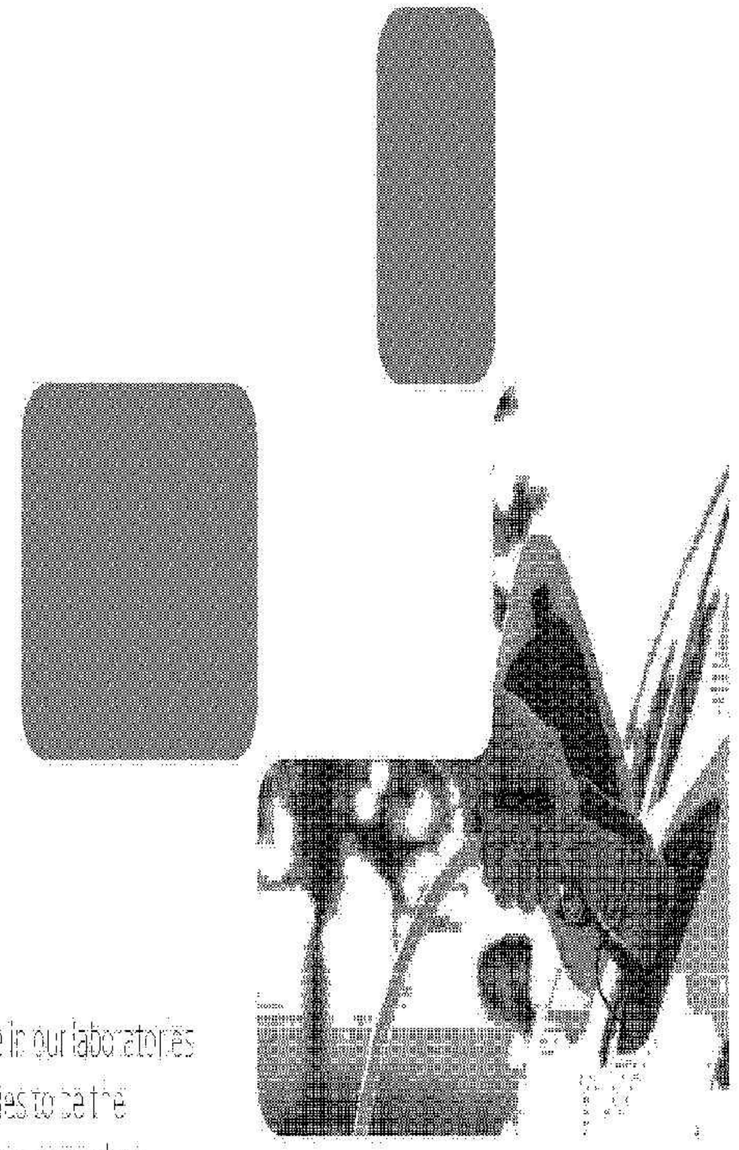
Peru is a leader in the production of fishmeal and fish oil and, within Latin America, one of the main exporters of fish products for people to eat. Intertek Peru's wastewater analysis and monitoring services allows fishing companies to ensure that the industry continues to provide an essential source of food with minimal environmental impact.

Without support, clients can verify compliance with their environmental commitments, detect any changes in water bodies caused by processing activity and take corrective action. Intertek Peru's services are carried out in accordance with the relevant regulations, evaluate critical factors such as the concentration of suspended solids, oils and greases, as well as the presence of potentially harmful micro-organisms, and include many other chemical and biological tests. This detailed analysis helps our clients implement more sustainable and responsible practices, a key step towards more environmentally friendly fishing.



Environment

Our goal is to decarbonise our business by 2050



At Intertek, we understand our organisation's impacts on the environment and continuously look for opportunities to mitigate them in regard to climate change, use of resources, ecosystems, and waste management.

We recognise the critical role that the private sector plays in tackling the climate crisis, providing innovative solutions, reducing GHG emissions and setting ambitious targets. Thereby helping to drive the transition to a low-carbon economy.

Governance

Intertek's environmental governance flows from the Board to every site.

To advocate for accelerated climate action, our Net Zero Steering Committee (whose members include our Group CEO, Group CFO, EVP - Sustainability, Group Company Secretary, Head of Finance Sustainability, and Group Head of Risk) works with our countries on our detailed climate-related investments and action plans, monitors site-level activities across a range of metrics and tracks progress against the GHG emissions reduction targets.

Our Environmental and Climate Change policy (available on our website at intertek.com/about/our-responsibility/) outlines the commitments we adhere to. Our operations apply a precautionary approach and comply with all applicable environmental regulations and permits.

Environmental management systems support our operations to meet environmental protection standards, comply with legislation and improve reporting and transparency. We have implemented ISO 14001 and/or ISO 45001 across 98% of our sites.

More information on Climate-related Governance can be found in Book one, page 50.

What is our impact?

Our global reach spans thousands of employees, clients and suppliers. This scale represents both commercial opportunity as well as responsibility to our people, the communities in which we operate and the wider environment.

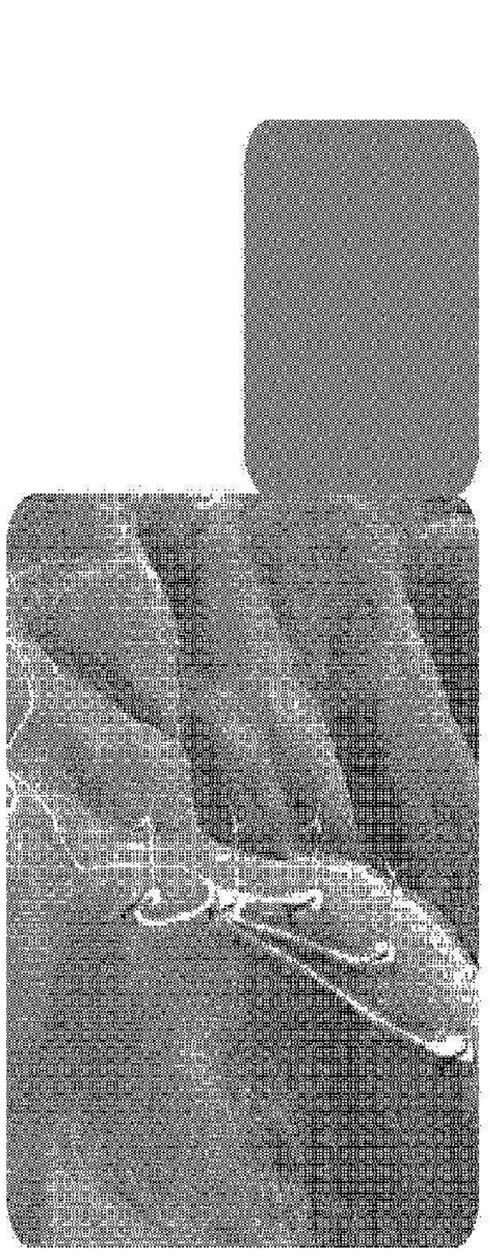
As a multinational company, we recognise that, although our own operations may not be as energy intensive or resource depleting as other industries, good management of the relevant and material topics is critical to protect the environment.

Our activities around the world are diversified across both laboratories and offices. Carbon emissions are our biggest environmental impact and through continual monitoring and assessment of our operations, we are now able to apply more targeted actions on the reduction of our carbon footprint, with particular focus on energy efficiencies and operational excellence.

The energy we use in our laboratories and offices continues to be the largest contributor to our carbon footprint, making it a priority in our environmental agenda.

To make real change happen, we believe that all our people need to have ownership of their carbon footprint and be empowered and inspired to take ambitious actions to reduce it - boosting our Sustainability Excellence approach in action.

We continue to advance our understanding of climate-related risks and opportunities and to evolve our transparent reporting, in line with internationally accepted recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD"), as shown in Book one, page 56.



Our GHG emissions reduction journey

Intertek has a longstanding commitment to sustainable growth, continuously demonstrating our efforts to limit the effects of climate change as a member of the Race to Zero campaign.

On our journey to net zero emissions by 2050, we have established a robust emissions data collection process, improved our carbon footprint measurement, showcased proficiency in environmental reporting, and set ambitious reduction targets. We remain committed to identifying and implementing decarbonisation initiatives.

Decarbonisation initiatives

Our rigorous GHG emissions performance management programme empowers our regional teams to implement initiatives to deliver against their reduction targets.

Leveraging our monthly environmental dashboards across business line, country, and site level, we identify those activities under our operational control which contribute towards our environmental footprint and work with our teams to focus on concrete and measurable action plans.

SBTi validated near-term targets

In 2023, we had our GHG emissions reduction targets approved by the Science Based Target Initiative (SBTi), which are in line with the ambition to limit global temperature increases to 1.5°C above pre-industrial levels.

Supply chain

Our commitment to environmental sustainability extends beyond our internal operations to encompass our supply chain network.

We are engaging with our suppliers to ensure that their environmental priorities are aligned with ours.

By working together, we can create a more sustainable future for generations to come whilst simultaneously driving value creation and innovation within our business.

Key milestones: Achieved On track

2019 ● Baseline for GHG emissions reduction targets

2021 ● Joined Business Ambition for 1.5°C campaign

2022 ● ESG element included in annual incentive framework

2023 ● SBTi validated near-term targets

"Intertek [Co.] has committed to reduce absolute scope 1 and 2 GHG emissions 50% by [Co. to fill in] 2019 base year. Intertek also commits to reduce absolute scope 3 GHG emissions from business travel and employee commuting [Co. to fill in] 50% within the same timeframe. Intertek also commits that 70% of its suppliers by spend will cover purchased goods & services and capital goods [Co. to fill in] scope 3 GHG emissions in addition to [Co. to fill in] absolute science-based targets by [Co. to fill in]."

2027 ● Target: 70% of suppliers by spend to set science-based targets

2030 ● Target: Reduce absolute scope 1, 2 and 3 (business travel and employee commuting) emissions 50% vs 2019 baseline

2050 ● Net zero ambition and commitment. Prioritise direct emissions reductions and neutralise any remaining emissions

Climate-related focus areas:

Scope 1

Direct emissions from sources which Intertek owns or controls.

- Switch to lower-carbon vehicle fleet
- Identify and implement fleet efficiencies
- Optimisation of buildings (heating/cooling)

Scope 2

Indirect emissions from purchased electricity, heat and steam.

- Procurement from renewable sources
- Low-carbon energy generation
- Energy-efficient buildings
- Energy-efficient equipment

Scope 3

Value chain emissions.

- Optimise business travel
- Employee engagement on efficient ways of commuting
- Supplier sustainability engagement

Across all scopes: Awareness and training for employees, customers and suppliers on climate change

Our climate transition plan in action

Low-carbon fleet: We are moving to upgrade our fleet to low-emissions vehicles. This year we completed a pilot programme in several countries which allowed us to better understand our operational and business needs, as well as the challenges in the existing infrastructure. We will continue to transition our other eligible fleet.

- Germany
- Netherlands
- UK
- USA

Low-carbon energy generation: We are producing and consuming our own electricity after investing in renewable energy systems in at least one site in eight countries.

- Australia
- Bangladesh
- India
- Mexico
- Poland
- South Korea
- Sweden
- UK

Energy-efficient buildings and equipment: We have replaced incandescent lighting with LEDs, installed motion sensors, introduced air-conditioning policies and replaced old lab equipment with more efficient options.

- APAC region
- Bangladesh
- China
- India
- UK

Energy purchased from renewable sources: At least one site in these countries is now powered by 100% renewable electricity backed by Energy Attribute Certificates (EAC).

- Australia
- China
- Germany
- Indonesia
- Netherlands
- Norway
- South Korea
- Singapore
- Spain
- Thailand
- Türkiye
- USA
- Vietnam

Employee-efficient transportation initiatives: We have invested in electric-vehicle (EV) chargers in several countries with the intention to support a low-energy transition.

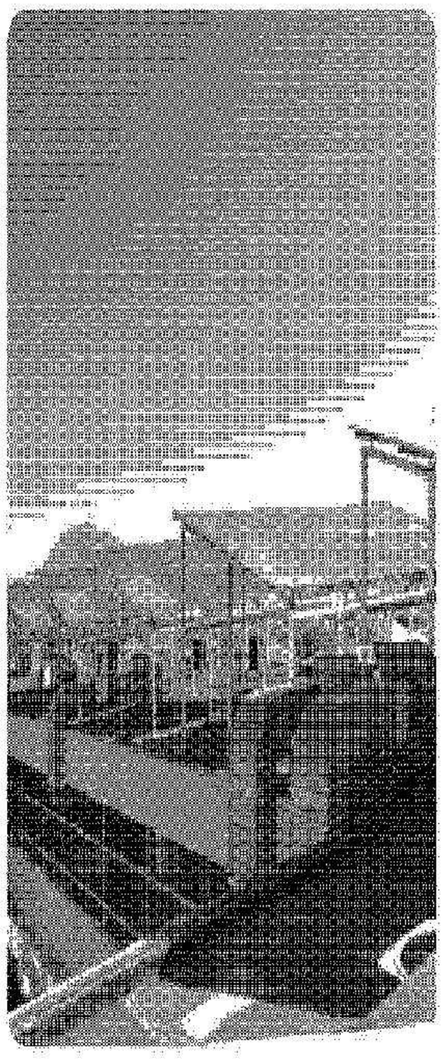
- Australia
- China
- Germany
- India
- Mexico
- Netherlands
- UK

Intertek in Action

Generating our own clean electricity

As we take important steps to decarbonise our business, our Intertek Mexico City laboratory has become the latest of our global sites to install a solar photovoltaic (PV) system. The impressive system will generate over 60% of the site's electricity from renewable energy sources, creating an annual emissions saving equivalent to the carbon absorbed by more than 8,000 trees.

Mexico becomes the eighth country in which we are producing and consuming our own electricity, following Australia, Bangladesh, India, Poland, South Korea, Sweden and the UK, where we also have site-specific solar installations. We are continually looking to increase this number by assessing the potential for and impact of installing other solar PV systems at various sites around the world.



Environmental performance

At Intertek, we are committed to providing accurate and transparent environmental data. Intertek's reporting complies with the methodologies outlined by the GHG Protocol Corporate Accounting and Reporting Standard, ISO 14064-1 and the UK Government's 'Environmental Reporting Guidelines'.

Our data collection process continues to improve, with over 120 users adding site-level data every month to our global environmental sustainability software.

In 2023, operational market-based emissions[1] were 134,612 tCO_2e (2022: 207,232 tCO_2e), down 10.8%. We delivered 36.7% reduction against our base year (2019: 281,519 tCO_2e).

We have a rigorous performance management programme of climate-related action plans which has helped us identify the most material sources of emissions and implement initiatives which result in year-on-year emissions reductions.

We will continue to increase the amount of energy consumed from renewable sources, and will address our business travel practices as we are seeing an increase in emissions driven by the recovery of the transportation industry following the impacts of the pandemic.

GHG emissions in tonnes of carbon dioxide equivalent (tCO_2e)[1]

Emissions by source[1]			2023	2022	Base year 2019
Scope 1	Emissions from sources which Intertek owns or controls directly	Global	51,168	58,821	64,709
		of which UK	1,782	2,302	
Scope 2	Emissions from purchased electricity, heat and steam for our use (location-based)	Global	113,270	113,823	128,693
		of which UK	2,295	2,325	
	Emissions from purchased electricity, heat and steam for our use (market-based)	Global	78,223	102,366	153,860
		of which UK	285	531	
Scope 3	Employee Business Travel	Global	18,196	12,555	25,849
		of which UK	1,260	813	
	Employee Commuting	Global	27,108	33,590	67,101
		of which UK	1,036	1,351	
	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Global	6,543	7,069	7,669
		of which UK	201	213	
	Absolute tCO_2e (market-based)	Global	191,155	214,101	299,168

1. Refer to our basis of reporting document for full details of scope. Available on our website at intertek.com/about/our-responsibility
2. Our annual environmental reporting cycle ran from 1 October 2022 to 30 September 2023.

Global energy use in megawatt-hours (MWh)

Energy use by source[1]	2023	2022
Standard electricity, heat and steam	171,241	224,347
Renewable electricity[2]	88,716	42,979
Mobile combustion[3]	139,715	131,229
Stationary combustion[4]	122,020	115,037
Total energy use[5]	521,692	513,592
Percentage of total energy use from renewable sources	17.2%	8.4%

1. Energy use disclosures now include all energy sources from mobile and stationary combustion. 2022 data was restated to allow for year-on-year comparison.
2. Renewable electricity, waste avoided consumed from green tariffs, Energy Attribute Certificates (EACs) and on-site generation.
3. Energy from the fleet.
4. Gas and fuels used for heating and processing.
5. UK portion of total energy use was 46% (2022: 56%).

55.5

emissions[1] in tCO_2e per £m in revenue[2,3]

Operational emission reductions 2022-2023

-10.8%

Operational emission reductions 2019-2023

-36.7%

1. Operational market-based emissions as restated in Book one, page 29.
2. Revenue for FY 2023 as shown in Book one, page 9.
3. 2022 tCO2e emissions in tCO2e per £m revenue.

Independent assurance report to Intertek Group plc Management

Scope

We have been engaged by Intertek Group plc ("Intertek") to perform a "limited assurance engagement", as defined by International Standards on Assurance Engagements, hereafter referred to as the "engagement", to report on selected greenhouse gas performance data ("the "Subject Matter") contained in Intertek's Annual Report & Accounts 2023 as of 30 September 2023 ("the "Report").

The Subject Matter comprises the following data sets in the Report regarding the sustainability performance of Intertek Group plc:

- Greenhouse gas emissions – scope 1;
- Greenhouse gas emissions – scope 2 – location-based and market-based;
- Greenhouse gas emissions – scope 3 (fuel and energy related activities, business travel (air travel only) and employee commuting); and
- Greenhouse gas emissions – intensity ratio.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Intertek

In preparing the Subject Matter, Intertek applied the methodologies as described in the document Basis of Reporting – GHG Emissions (the "Criteria"), based upon the GHG Protocol, and publicly available on Intertek's website.

Intertek's responsibilities

Intertek's management is responsible for selecting the Criteria and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), and the terms of reference for this engagement as agreed with Intertek Group plc on 30 October 2023. This standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control Management", "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures. The procedures we performed were based on our professional judgement and included:

- Conducting interviews with relevant staff to understand the processes for collecting, collating and reporting the Subject Matter during the reporting period.
- Reading key documentation and confirming our understanding of the key risks to data integrity and the controls associated with the collection and collation of the GHG data.
- Performing analytical review procedures to understand the appropriateness of the data.
- Testing, on a sample basis, against underlying source information to check the accuracy and completeness of the data and the appropriate application of the Criteria.
- Examined the reasonability of estimates and assumptions applied to the data and ensuring they are aligned to what is documented in the Criteria.
- Testing the accuracy of data aggregation performed at the Intertek global level for reporting purposes – including the use of any specific tools, systems or estimation methods.
- Examining the Report for the appropriate presentation of the Subject Matter, including limitations and assumptions.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as at 30 September 2023, in order for it to be in accordance with the Criteria.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any persons other than Intertek Group plc, or for any purpose other than that for which it was prepared.

Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party, for any consequences of the use or misuse of this assurance report or its conclusions.

Ernst & Young LLP
4 March 2024
London

Intertek in Action

Improving water management practices in Bangladesh

In its continued pursuit of water conservation, the Intertek Bangladesh team has taken some important steps to greatly reduce wastewater.

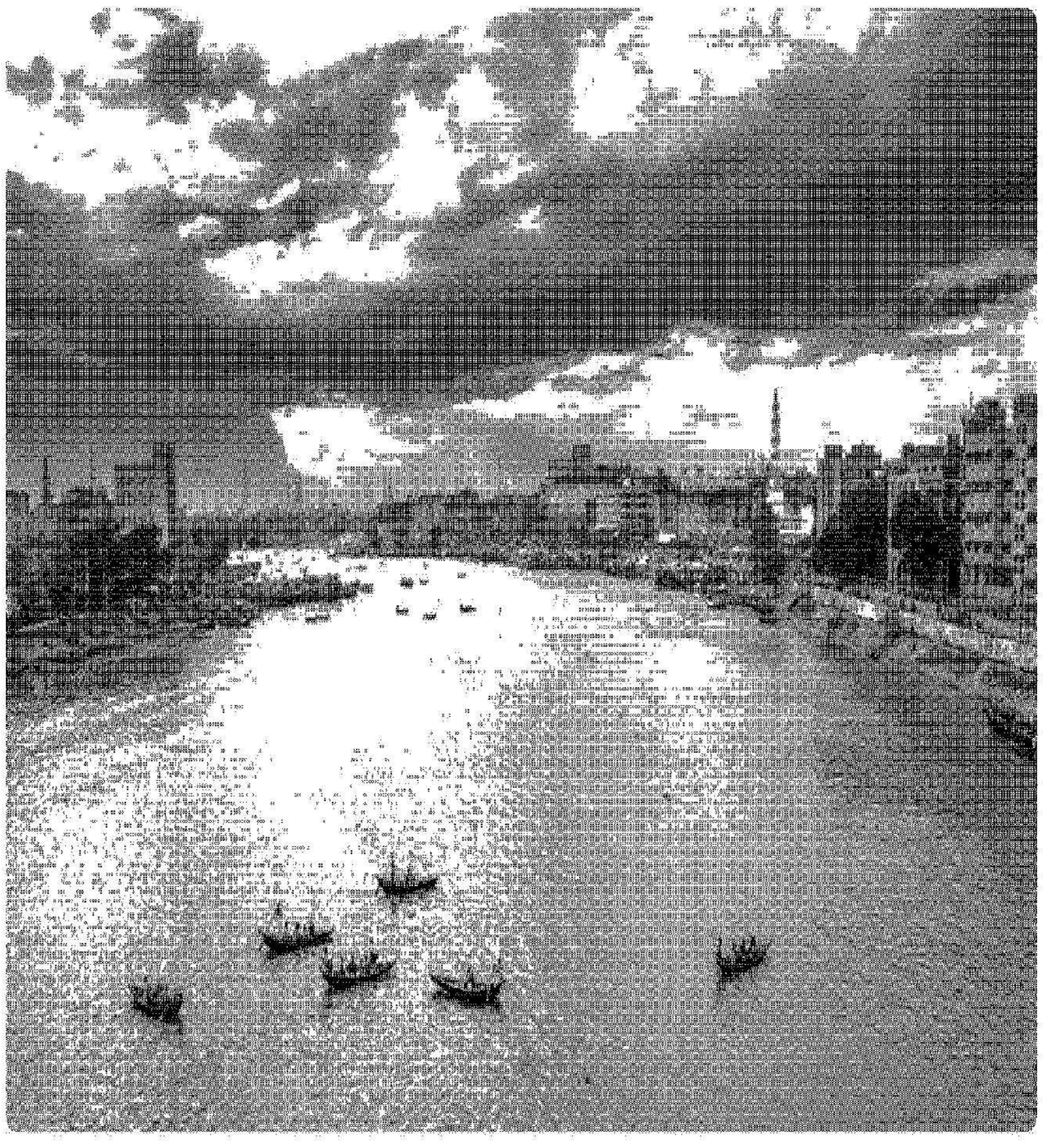
An upgraded Effluent Treatment Plant ("ETP") has revolutionised water management at our Dhaka laboratory site, recycling 20,000 litres each day. Previously, the ETP only treated laboratory water and the wastewater was discharged into the drain.

Following the upgrade, we now recycle laboratory wastewater through the ETP, storing the treated water and using it for gardening and to let flushing. Our new ETP achieves Zero Liquid Discharge - meaning that no industrial wastewater remains at the end of the treatment cycle – a step beyond government regulations.

Additionally, we introduced a rainwater harvesting system, incorporating a Water Treatment Plant ("WTP") atop our laboratory building. This system features a reservoir tank capable of storing up to 1,000 litres of rainwater, significantly reducing our dependence on groundwater. Approximately 5,000 litres of water can be used from the WTP during the country's annual rainy season.

20,000

litres of water reused daily



Intertek in Action

PETman champions recycling and charitable giving



Our Netherlands offices have welcomed a new team member, the PETman. Designed to add a bit of fun to the daily routine of disposing of empty plastic bottles and cans, the PETman is a recycling bin in the guise of a giant yellow Intertek-branded PET bottle.

PETman also helps raise money for good causes. Each PETman can hold around 250 bottles and cans, and when full we can expect a return of around €40, which Intertek doubles and donates to charities chosen by our colleagues. We therefore encourage employees to bring their bottles or cans from home to ensure that every PETman reaches capacity as often as possible.

Intertek in Action

Green initiatives for World Environment Day

On 5 June each year, World Environment Day is a reminder that even the smallest steps towards sustainability can have a significant impact. At Intertek, we see this event as another opportunity to reinforce our commitment to Build Back Even Better – and our offices around the world have different ways of doing this.

Planting in Bangladesh

We extended our South Asia planting initiative to Dhaka, Bangladesh, where our local team devised a clever solution for a lack of space. Wanting to plant saplings, they asked two customers – Plummy Fashions Ltd and Crony Apparels Ltd – who rarely offer land, in a crowded megacity like Dhaka, the lack of space can make building a green future very difficult, but this project demonstrates what teamwork can achieve.

The population density can also be an obstacle to introducing greenery at home or in the workplace. To help our employees overcome this, we organised a discussion and demonstration called Urban Gardening: Bringing Nature Indoors.

Reusing, repurposing and recycling in India

In the week leading up to World Environment Day, we held collection drives for old or surplus clothing and stationery across some of our Indian sites, including Delhi, Gurugram, Bengaluru and Tirupur. We did this in association with various local non-governmental organisations, distributing the collected items to be reused or repurposed for people in need.

Tackling plastic pollution in Ghana

Our teams in Ghana embraced the 2023 theme of 'Beat Plastic Pollution'. Our employees joined forces with a local company along with Solution Oriented Youth Africa, a group pioneering sanitation and climate change, and the Students Representative Council of the local University of Professional Studies for a clean-up project at Labadi Beach, Accra. In addition to picking up plastic waste, the group, numbering more than 50, talked to local people, explaining the need to keep the beach clean and conserve our environment.

Intertek in Action

Inspiring families and local communities

In addition to the physical actions we take, our global teams work hard to educate their local communities and families, especially the next generation, on caring for the environment. Throughout 2023, they did this by hosting engaging initiatives to encourage environmentally friendly practices around the world.

Reforestation in Guatemala

Our Intertek Guatemala team launched the Plant A Tree With Us initiative to promote reforestation. The initiative saw local eagles and their families travel to a deforestation recovery area outside Guatemala City to plant trees, learning the best method and building vital knowledge on the importance of reforestation. The idea is to motivate employees and their families – from the youngest to the oldest – to raise awareness of the significance and urgency of maintaining the global forests which provide us with so many ecological, economic and social benefits.

Getting creative in Vietnam

In August, over 120 children of our employees at Intertek Vietnam enjoyed our 'Mission Possible: Earth Ranger' event, organised as part of our broader 'We Care, Earth Cares' initiative in the Asia Pacific region. The event welcomed families from several of our offices, including Hanoi, Ho Chi Minh and Can Tho, and a range of activities followed, including creative contests, art workshops, and making flags and lanterns from recycled materials, as well as an Intertek laboratory tour.



Building a knowledge network in Hong Kong

To celebrate Green Day 2023, over 1,400 employees and their families embraced existing environmental measures by sharing green tips and promoting environmental initiatives and responsibilities.

1,400+

employees and their families celebrated Green Day 2023 in Hong Kong

Communities

We want to create positive impacts in the communities where we operate

Our global business spans more than 100 countries and, as such, we understand the huge opportunity and responsibility we have to make a positive and lasting impact on our local communities where we work.

Taking active responsibility to support the communities where we operate is grounded in our Values to create sustainable growth for all.

As a business we contribute to our communities in many ways. We provide employment opportunities, volunteer, fund education programmes and support charities to benefit local communities and neighbourhoods.

Each of our countries and business lines define their own agenda to create positive and lasting impact. These are tied to the Group's priorities and aligned to the UN Sustainable Development Goals and focus on their local operations and communities. Our Beyond Net Zero Steering Committee oversees community investments at a global level.

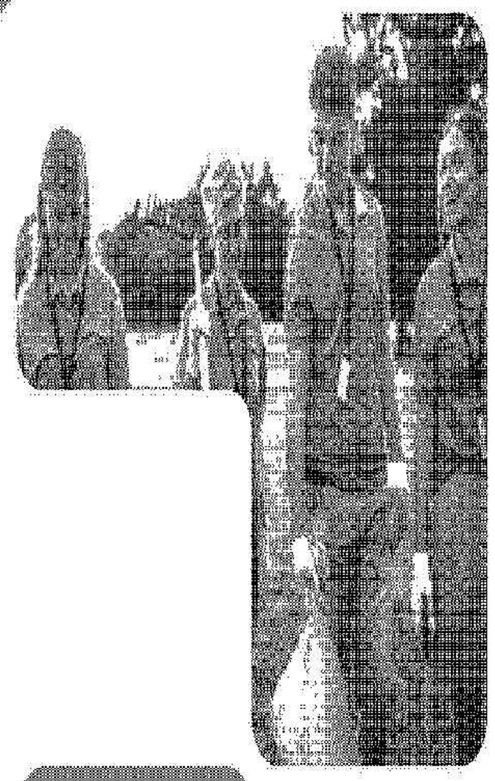
In this section we provide a small selection of highlights from the many community activities that our colleagues are taking part in around the world.

150+

Community projects our employees participated in focusing on education, giving back to local communities and preserving our environment

10,415

hours volunteered to support community projects





Intertek in Action

Supporting community initiatives in the Netherlands

At the end of every year, our employees at Intertek Polychemlab in Geleen, Netherlands, nominate a charity to support. For 2023, they chose Flowers for Charity, which organises various activities for those in need at a local care in. Supported by a team of volunteers, the activities include children's birthday parties and a warm, friendly café service for Ukrainian refugees and others in need.

In February, the Intertek Polychemlab team donated an impressive €6,500 to the charity. The money was raised through collection boxes and employees purchasing annual leave hours and days for an equivalent value donation.



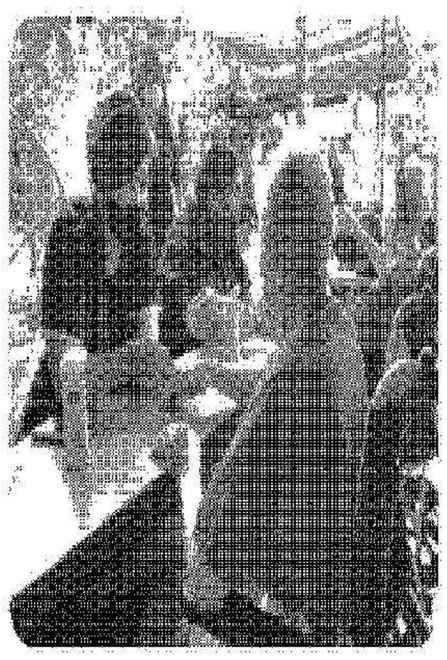
Intertek in Action

WE CARE: leave no one behind



In 2023, our WE CARE initiative transcended borders, leaving smiles and hope in its wake. We brought joy and support to more elderly people in two countries, Malaysia and Singapore, while investing in the future by nurturing young minds in Thailand.

Our reach extends beyond smiles and support for the elderly though. In Thailand, we donated educational toys to a children's home, laying the foundations for a brighter future. We believe that every individual, regardless of age, deserves a chance to thrive.



Intertek Malaysia started the initiative in 2022, committing to clean a care home for elderly people each quarter. With the initiative continuing to thrive in Malaysia, we took it to neighbouring Singapore, where colleagues have volunteered at a local care home to offer manicures and haircuts as well as organising entertainment.

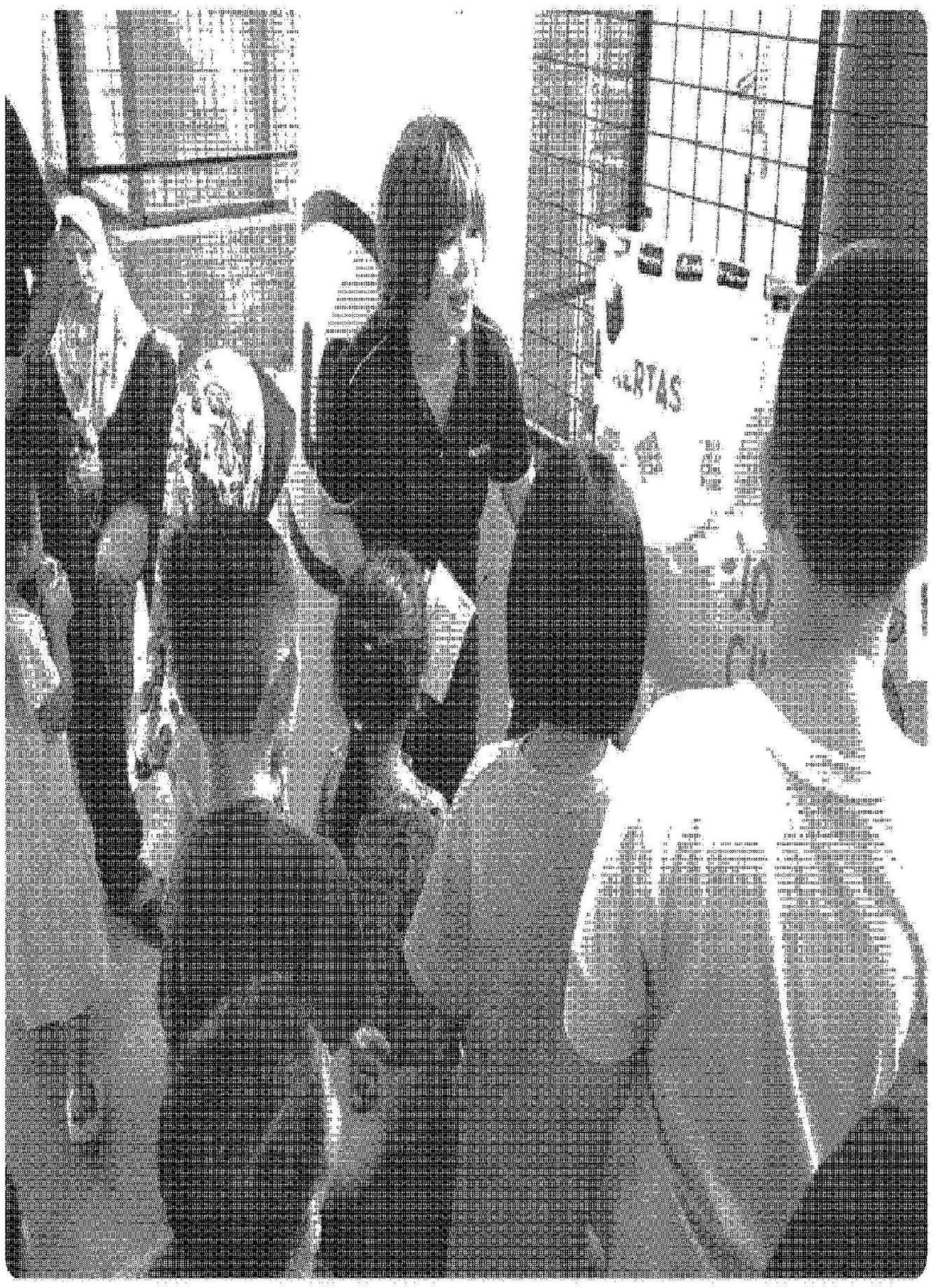
Our actions in 2023 are a testament that WE CARE is more than a slogan. It is a commitment - a promise to help make the Sustainable Development Goals and pledge to 'leave no one behind' a reality.

Intertek in Action

Raising community awareness of recycling

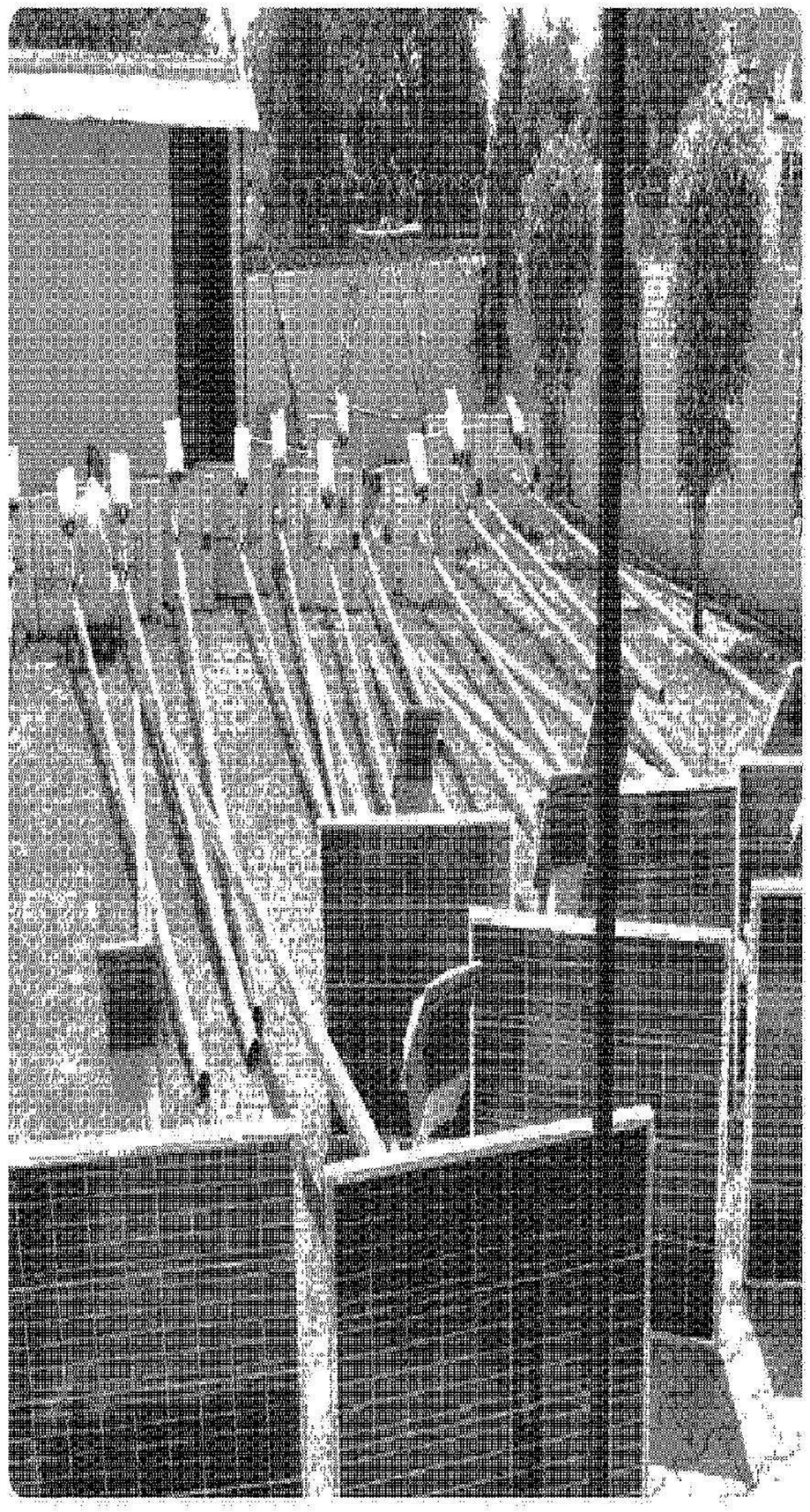
During a two-day event on the island of Langkawi in August, Intertek Malaysia joined the Malaysian Recycling Alliance in promoting its Consumer Education and Public Awareness programme. The aim was to educate the local community on the importance of recycling and other sustainable practices, giving them the knowledge to make responsible choices in their daily lives.

An enthusiastic audience took part in various activities, such as children's colouring contests, guessing games for the weight of recyclable items and competitions based on separating different types of waste. As well as increasing awareness of recycling, the event contributed to the future preservation of the island's natural habitat by encouraging greener habits generally.



Intertek in Action

Solar-powered street lights for rural Gurugram



As part of our Lighting Up Lives project in India, carried out with local charity Deep Welfare Organisation, we installed solar-powered street lights in five villages in Gurugram. Although the villages have access to electricity, they generally do not have street lights, so this initiative will improve safety and quality of life for local people, as well as promoting solar power as a sustainable way of reducing light poverty.

The project was expected to benefit over 30,000 people and, in an area where livestock accidents after dark are common, also contribute to animal safety. However, we exceeded our projected outreach by providing benefits to around 36,000 people across the five villages.

Intertek in Action

Giving back to local communities in the US and Canada

During our Season of Giving, our North American teams gave back to their local communities in a variety of ways. Their efforts helped to change many lives for the better and to strengthen their local communities, all in the spirit of Build Back Ever Better.

Our offices and labs worked with national organisations like Toys for Tots and the Red Cross, as well as local charities supporting a wide range of causes – such as those experiencing homelessness and economic hardship, those living with mental health conditions, victims of domestic violence, foster children, the elderly and abandoned pets.

In Lowell, Massachusetts, our Business Assurance team supported the local Salvation Army's Annual Holiday Toy Drive by donating clothes and gifts for children in need. The team also spent an afternoon helping to distribute the donations to more than 100 families, joining the Salvation Army's mission to bring joy back into the season.

Meanwhile, in Mississauga, Canada, our Assurance colleagues hosted a holiday get-together and fundraiser in support of the Canadian Mental Health Association. The team raised $1,000 (CAD) during the event and made a total donation of $1,600 (CAD) with additional money it had raised throughout the year.

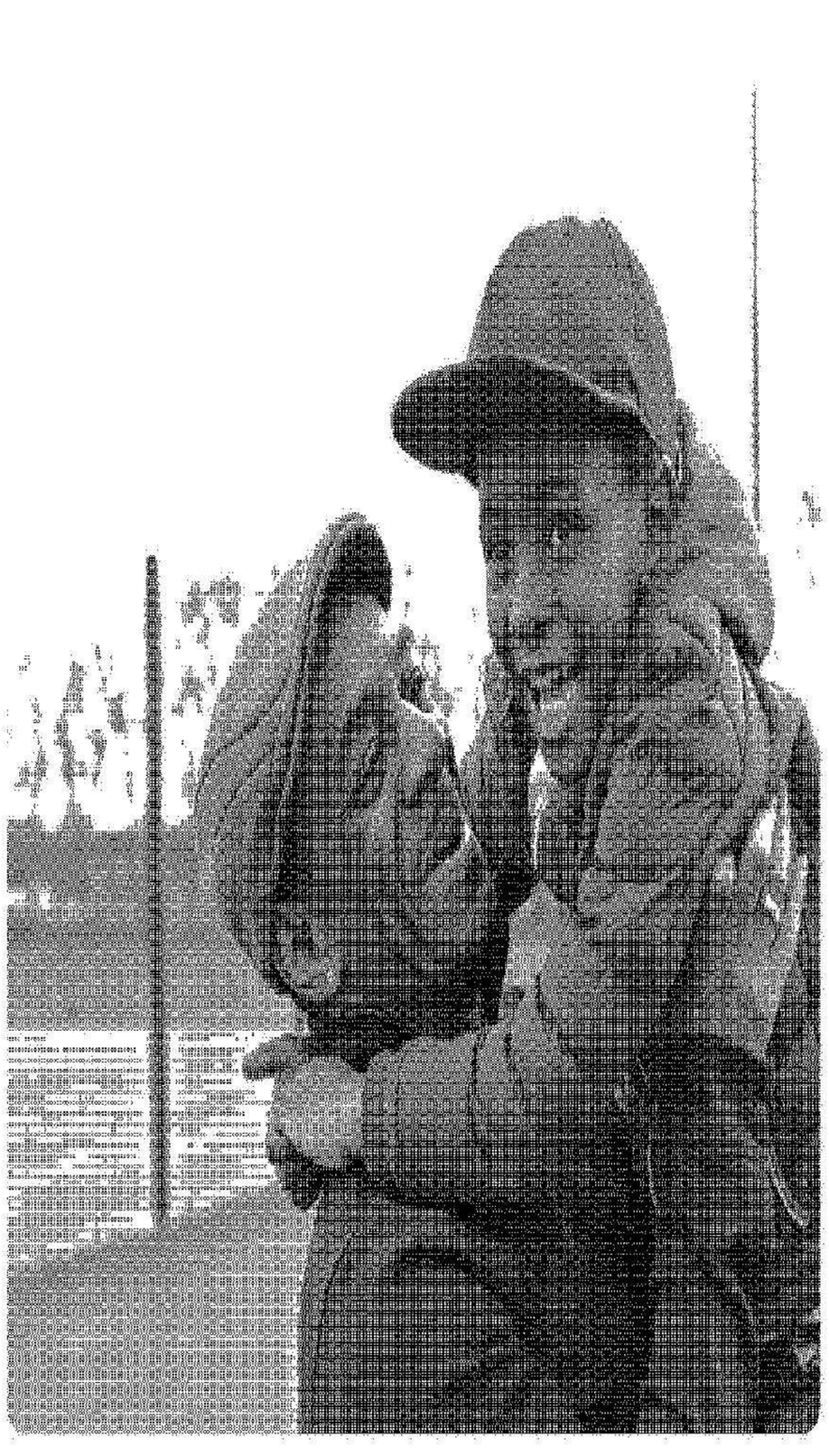
After its recent office move, the Intertek Catalyst team in Waterloo, Canada, got straight into supporting its new community by raising funds for a local Turkey Drive. The team's donation of $430 (CAD) was combined with other contributors to provide a meal for 14,500 local people in need. Similarly, our Hazloc team in Edmonton, Canada, collected money for the Hope Mission, which serves up Christmas dinner for hundreds of disadvantaged and homeless people in Edmonton and Calgary each year.

In Farmers Branch, Texas, our Professional Service Industries ("PSI") team collected donations for the Humane Society of North Texas, providing food and supplies for the animals the organisation cares for. Our PSI team in Orlando, Florida, collected items for Second Harvest Food Bank, Toys for Tots and the Orlando Women's Shelter.

Our Transportation Technologies team in Kentwood, Michigan, donated gifts to two community service organisations, Be A Santa for a Senior, supporting the elderly, and Mel Trotter Ministries, helping the homeless. In Texas, our Plano team donated blood through Carter BloodCare and our colleagues in Westlake joined forces with the Houston Police Department to host a toy drive, collecting for children in need.

In Bozeman, Montana, our Wisetag team took part in several initiatives, including a blood drive for the local Red Cross and fundraising for two local causes: Big Sky Youth Empowerment, which supports vulnerable teenagers, and the Compassion Project, which works in schools and communities to promote lifelong skills for relationships and wellbeing.

In addition to coordinated office efforts, employees also took part in the Season of Giving challenge by personally supporting their favourite causes across North America.



Intertek in Action

Help for victims of the Türkiye-Syria earthquake

Following the devastating earthquakes in Türkiye and Syria in February, we did all we could to support our colleagues and local communities in the region, especially those directly affected by the disasters.

In the immediate aftermath, we coordinated rapid support for employees who had been displaced, helping them to find alternative accommodation and providing any basic items they needed. In the wider community, we arranged for local volunteers to manage donations of items in the highest demand, including sanitary pads and children's clothing. Our local Health & Safety Supervisor, trained in emergency response, travelled to the most affected region to help maximise the impact of these rapid response efforts.

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Our Caleb Brett joint venture in Türkiye – TS Caleb Brett Deniz Survey SA – also independently arranged for trucks to provide key items for those in need, as well as turning our laboratory in Iskenderun into an aid station.

In addition to the on-the-ground support, Intertek Europe & Central Asia set up a fundraising page for the Disaster Emergency Committee's Türkiye-Syria Earthquake appeal, through which employees around the world donated more than £6,500.

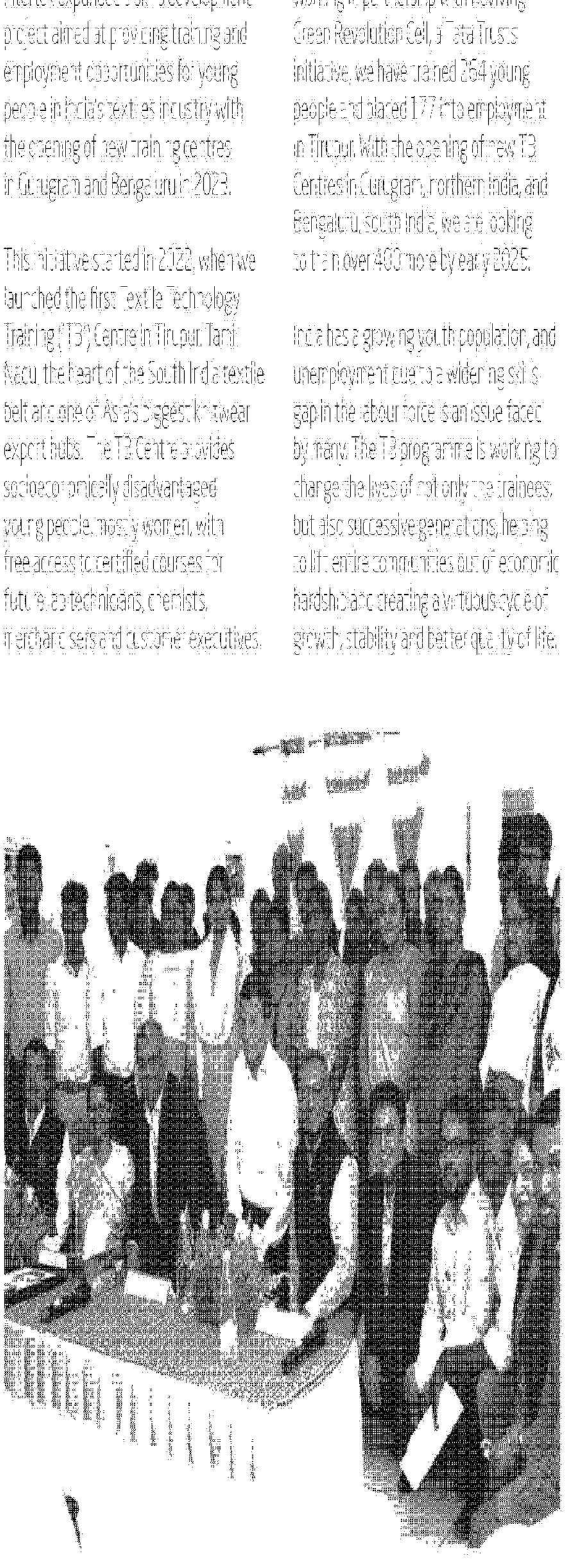
Intertek in Action

Delivering social and economic development through India's textiles industry

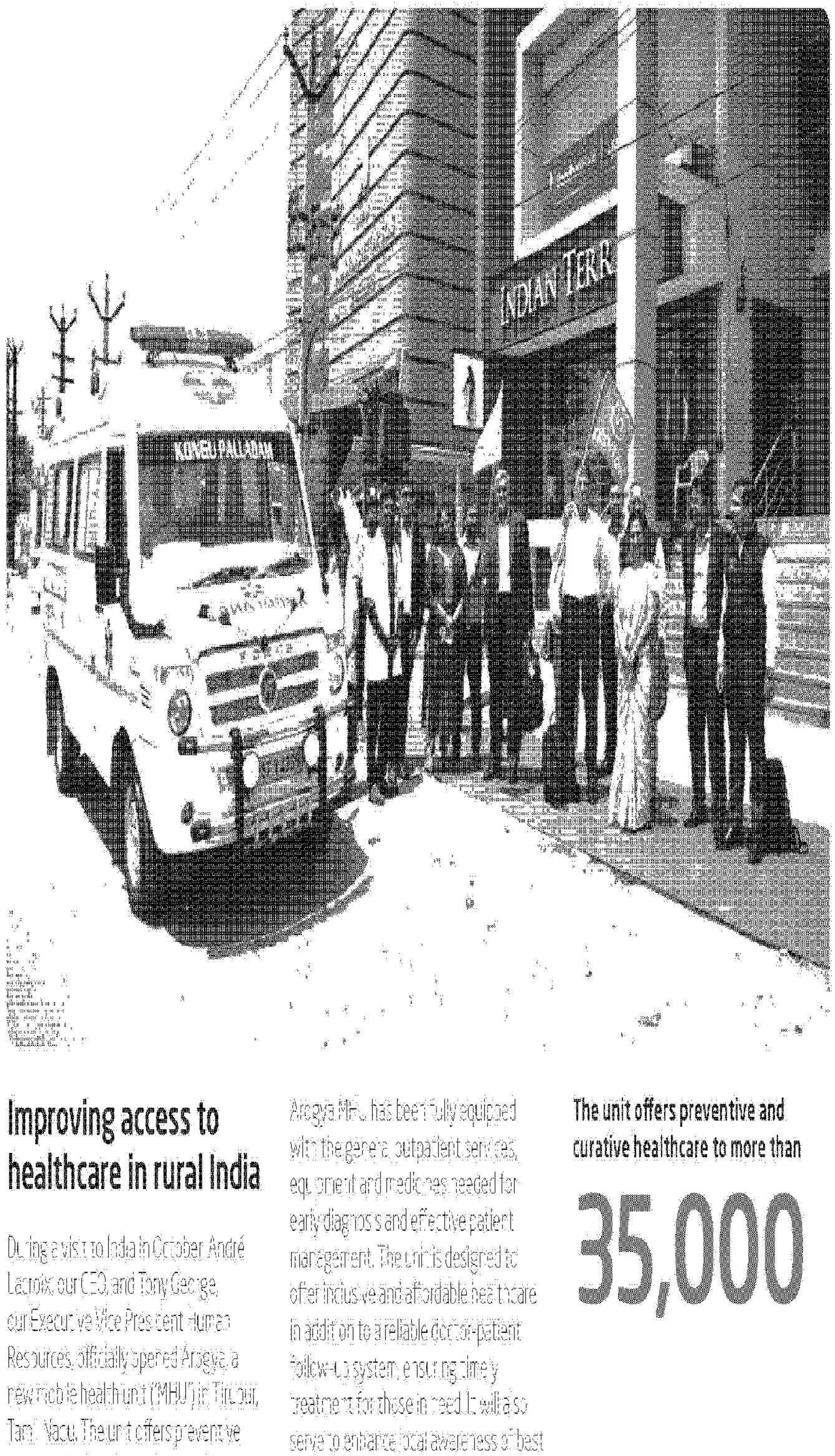
Intertek expanded our skills development project aimed at providing training and employment opportunities for young people in India's textiles industry with the opening of new training centres in Gurugram and Bengaluru in 2023.

This initiative started in 2022, when we launched the first Textile Technology Training (T3) Centre in Tirupur, Tamil Nadu, the heart of the South India textile belt and one of Asia's biggest knitwear export hubs. The T3 Centre provides socioeconomically disadvantaged young people, mostly women, with free access to certified courses for future lab technicians, chemists, merchandisers and customer executives. Working in partnership with Reviving Green Revolution Cell, a Tata Trusts initiative, we have trained 264 young people and placed 177 into employment in Tirupur. With the opening of new T3 Centres in Gurugram, northern India, and Bengaluru, south India, we are looking to train over 400 more by early 2025.

India has a growing youth population, and unemployment due to a widening skills gap in the labour force is an issue faced by many. The T3 programme is working to change the lives of not only the trainees, but also successive generations, helping to lift entire communities out of economic hardship and creating a virtuous cycle of growth, stability and better quality of life.



Intertek in Action



Improving access to healthcare in rural India

During a visit to India in October André Lacroix, our CEO, and Tony George, our Executive Vice President Human Resources, officially opened Arogya, a new mobile health unit ("MHU") in Tirupur, Tamil Nadu. The unit offers preventive and curative healthcare to more than 35,000 people across 20 villages, including remote and "inaccessible areas" where basic healthcare is often limited.

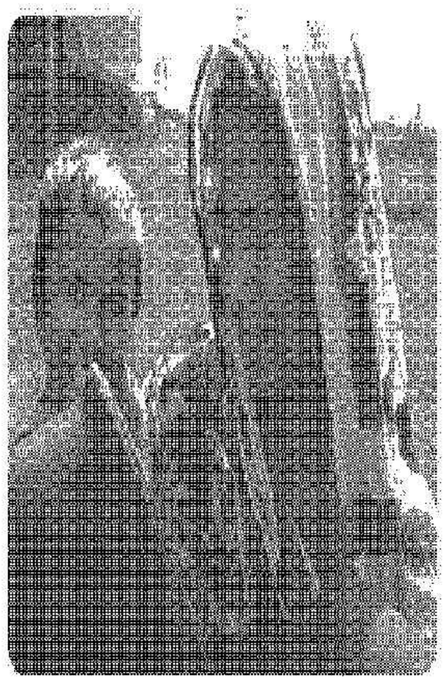
Arogya MHU has been fully equipped with the general outpatient services, equipment and medicines needed for early diagnosis and effective patient management. The unit is designed to offer inclusive and affordable healthcare in addition to a reliable doctor-patient follow-up system, ensuring timely treatment for those in need. It will also serve to enhance local awareness of best practices around health and hygiene, with the aim of combating the prevalence of diseases and other ailments in the region.

The unit offers preventive and curative healthcare to more than

35,000

Intertek in Action

Responding to emerging needs during winter freeze in Bangladesh



At the start of 2023, the northern region of Bangladesh experienced an incredibly cold winter which was affecting day-to-day life for many people. In response, a team of volunteers from Intertek Bangladesh helped to procure 350 blankets for donation. The team then travelled around 80km from Dhaka to the remote Sirajganj district, where weather conditions were particularly harsh. The blankets were then handed out to the beneficiaries of five charitable organisations, ranging from an orphanage to the National Federation of the Visually Impaired.

Intertek in Action

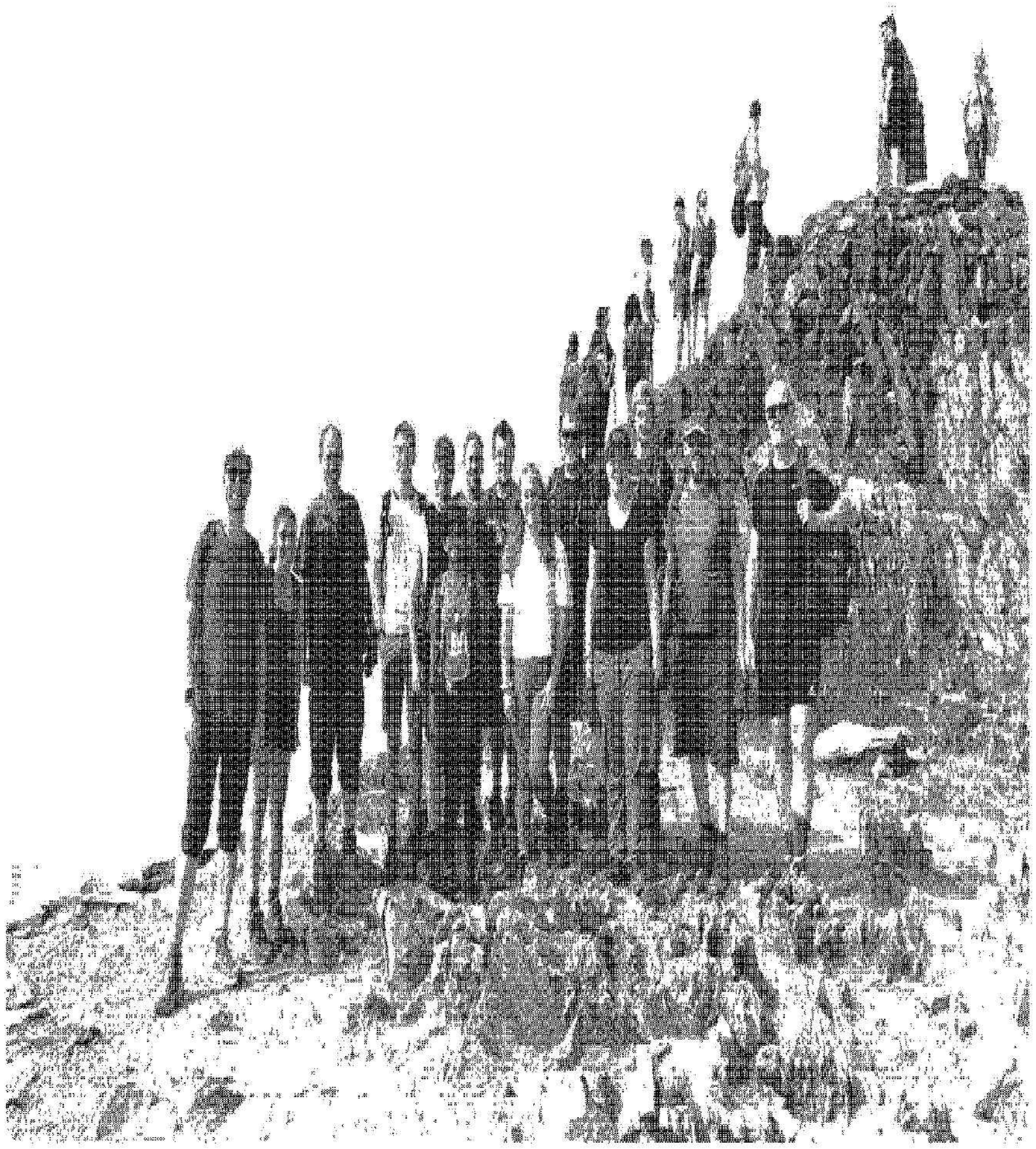
New learning centre opened for children in Zululand

In July, Intertek South Africa opened a learning centre in the Zululand district. The centre serves as a pre-primary classroom during the day and a study room for high school children in the afternoon, with learning materials provided for English, mathematics and science.

In the planning for more than two years, the learning centre was funded by Intertek South Africa and Intertek Germany. We partnered with a small local business to supply the infrastructure and design of the classroom with the necessary amenities.

The initiative was executed through Intertek South Africa's long-standing beneficiary Bewes Care Centre, which we have been proudly associated with since the early 2000s. Before the learning centre was built, we supported Bewes Care Centre with upgrades and refurbishments to its own premises as well as hamper donations to support underprivileged children.

Intertek in Action



Climbing mountains and crossing countries

Two of our UK-based teams decided to take on big physical challenges to raise money for charities of their choice.

Our Energy & Water team travelled from the south of England to north-western Wales to climb Snowdon, which, with an elevation of 1,085 metres above sea level, is the highest point in the British Isles outside the Scottish Highlands.

On a hot day, the team completed the challenge in eight hours and raised more than £1,300 for WaterAid, an international non-governmental organisation focused on water, sanitation and hygiene.

The UK HR team took a different approach, challenging its members to collectively to cover the distance from Land's End at the far end of southwest England, to John O'Groats on the northernmost coast of Scotland. The team successfully covered the 1,749km distance in three months, raising £1,200 for the Alzheimer's Society, a UK charity supporting people with dementia and funding research into the condition.

£1,000

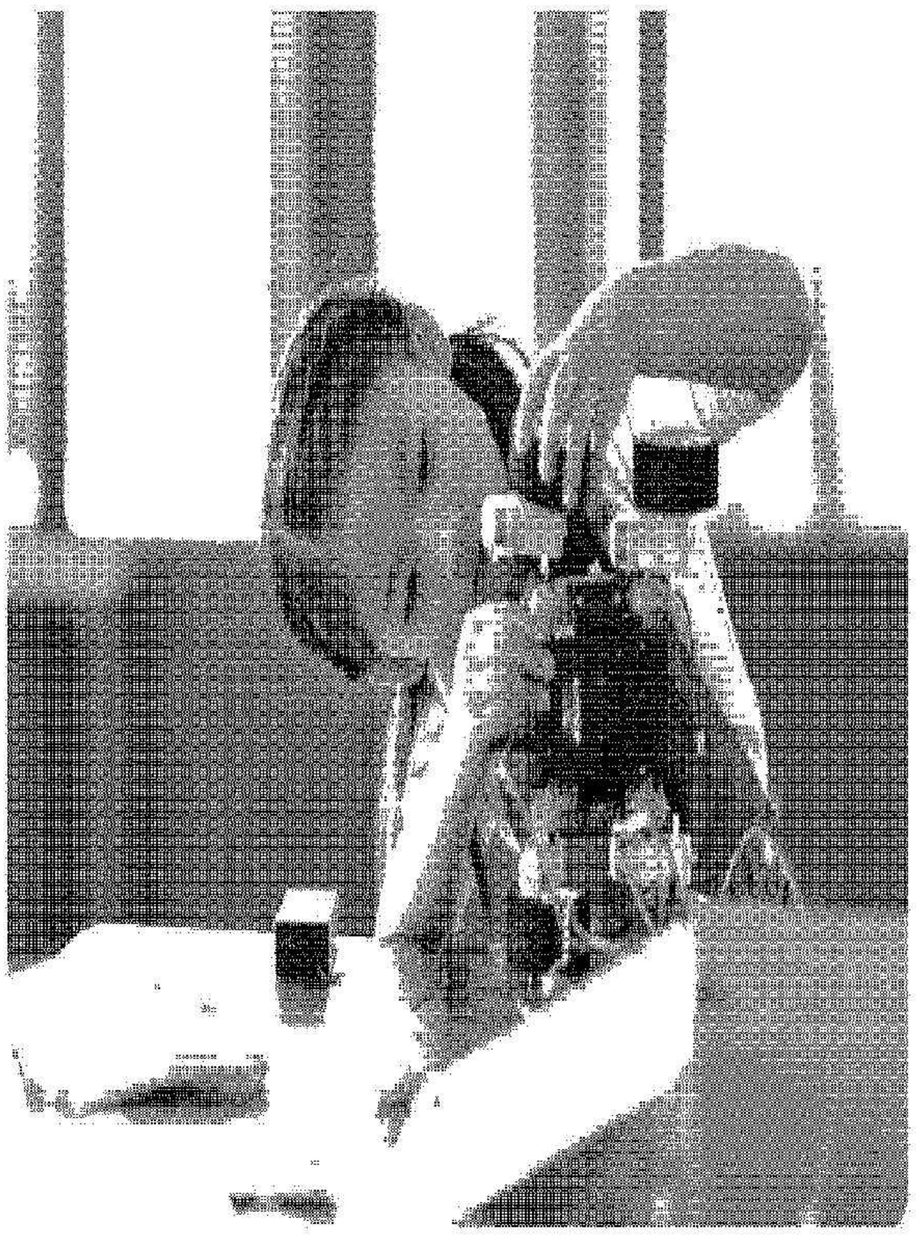
raised for WaterAid in 2023

£1,000

raised for the Alzheimer's society in 2023

Intertek in Action

Long-term education programme benefits disadvantaged young people in Shanghai



For the past 15 years, Intertek China has provided funding to support the education of young people from low-income families in Chongming, Shanghai. The student aid programme gives those from challenging backgrounds the opportunity to complete their education, from primary school to university.

In addition to the financial contribution, the Intertek China team stays in contact with the young people through one-on-one mentoring and online support groups. In the summer of 2023, the team also delivered books and stationery to Chongming, as well as arranging a visit to Shanghai Insect Museum.

As of the end of 2023, we have supported more than 40 students, with over 20 of them now graduated and working, including students who have become teachers and those studying for degrees in important fields like medicine.

We recently extended our support of the programme for another five years, ensuring that our current students will continue to benefit from access to quality education.

16

years funding education in Chongming

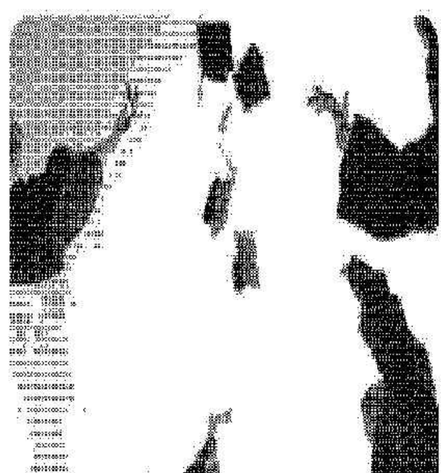
Intertek in Action

Collaborating with universities for education reform

In 2023, Intertek China took another significant step in its work with universities to promote education reform and train future industry talent.

As part of the school-enterprise cooperation with the School of Materials and Environmental Engineering of Shenzhen Polytechnic University, Intertek was invited as a testing industry expert to participate in a curriculum reform teaching seminar. This involved designing new practical courses for the University to help develop more application-oriented talent, as well as implementing a way of teaching which centres on the cultivation of vocational abilities. In addition, an Intertek expert delivered lectures about the third-party testing industry to more than 300 students.

This important collaboration will not only help to improve the quality of teaching at the university, but also lays a solid foundation for the delivery of skilled talent into the testing industry.



Intertek in Action



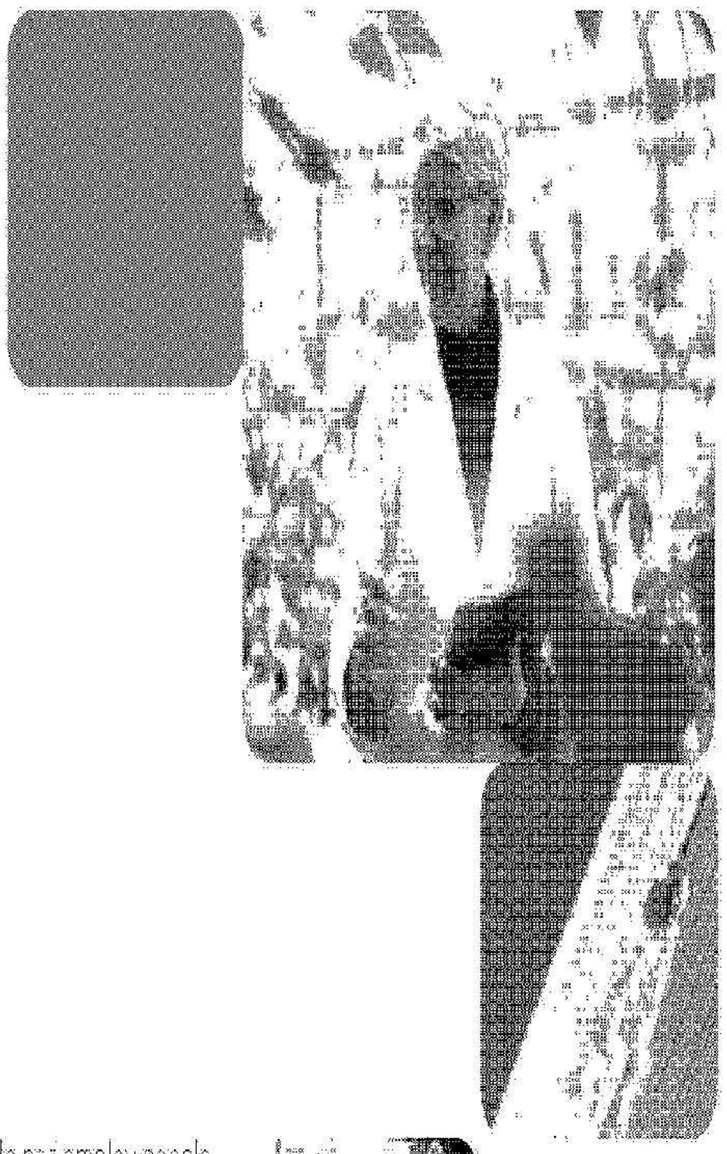
Encouraging more girls into STEM

For the fourth year in a row, Intertek Sweden invited a group of girls to see our Electrical and Transportation Technologies laboratory in Kista, Stockholm. The visit was part of the countrywide introduce a Girl to Engineering Day, which aims to encourage more young girls and non-binary people to consider careers in science, technology, engineering and maths ("STEM").

The 20 attendees, all with a specific interest in engineering, were given tours of several of our testing laboratories and met some of our female engineers to learn more about their work and career journeys. They also got to see some tests in action and ask questions about the world of engineering. Having hosted the event virtually for the last few years, we were especially pleased to welcome the girls in person once again.

Responsible Business

We are uncompromising on quality and compliance



To deliver long-term sustainable success we strive for the highest standards of corporate governance, conduct and integrity.

Through our entrepreneurial culture and values, we strive to make the world better, safer and more sustainable.

Our responsible business practices – protecting human rights, 'Doing Business the Right Way', ensuring data privacy and good information governance and operating sustainable procurement practices – underpin our focus areas and the commitments we have made.

Human rights

Respecting human rights is core to everything we do and is supported throughout Labour and Human Rights policy, Code of Ethics and Sustainable Procurement policy. Intertek's policies and codes are based on and fully respect the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UNICEF Children's Rights and Business Principles.

We are committed to ensuring that our employees are subject to fair working practices and are treated with respect. We continually review our approach in this area to reflect any legal developments, emerging issues and changing societal expectations.

Some of the ways in which we work to promote human rights within our business include:

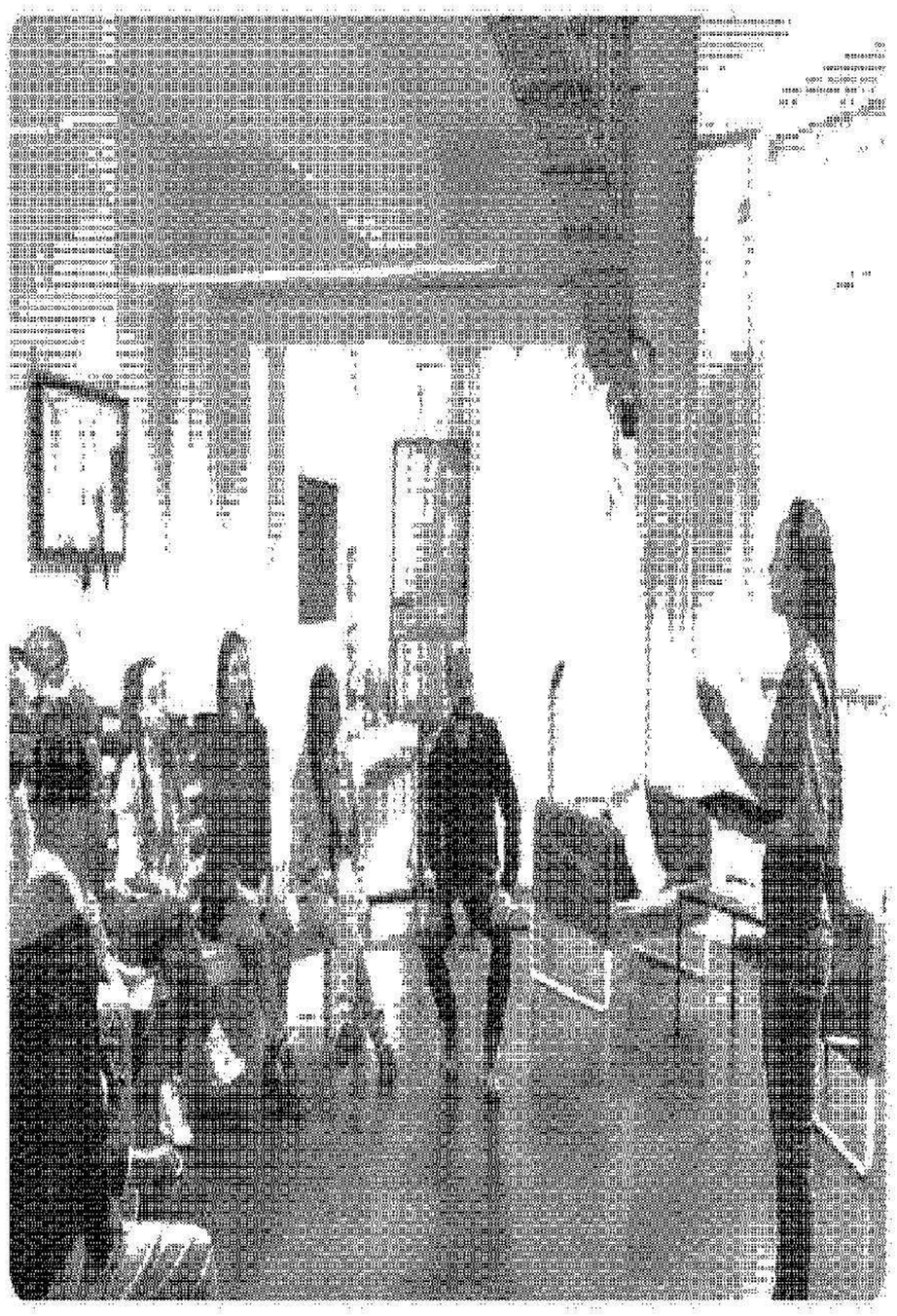
- **Working conditions:** We comply with the applicable labour and human rights laws and industry standards on working hours, paid annual vacation, rest periods and statutory minimum wages.
- **Indigenous rights:** We respect the rights of indigenous people. Our goal is to support our readers, our people and our communities to develop respectful relationships and create meaningful opportunities for dialogue with indigenous people, where appropriate.
- **Forced labour:** We do not tolerate any form of forced labour, child labour, slavery, human trafficking, physical punishment or worker abuse within our business or our supply chain.
- **Our Modern Slavery Act Statement** outlines the steps we are taking internally, in our supply chain and through partnerships and advocacy to avert modern slavery and human trafficking. This is available on our website.
- **Child labour:** We do not employ people below the age of 15 or below the local minimum employment/mandatory school age – whichever is higher and relevant to the particular country. Where we provide apprenticeships for young people, we put special protections in place and ensure they are not exposed to hazardous work.
- **Collective bargaining:** We respect the rights of our employees to form and join trade unions and take part in collective bargaining where this is as per local law. We also take care that employee representatives do not suffer discrimination and that they have open access to members in the workplace. We strictly adhere to tariff structures and arrangements negotiated with trade unions, while we also inform and consult employees on relevant business activities. For example, we respect statutory minimum notice periods and give reasonable notice of any significant operational changes in line with local practices and labour markets. Our affiliates' communication and consultation processes are tailored to local needs.





Intertek in Action

Modern slavery training



In 2023 we used our in-house expertise from our Business Assurance team to run live training across global time zones during which we trained over 1,000 of our colleagues in compliance, legal, HR, finance operations, and our business operations. This training was designed to not only cover the issue of modern slavery and Intertek's obligations in this area but also how to spot risk indicators for modern slavery, what to do to mitigate modern slavery risk and who to report concerns to. The training is now available to our colleagues as an on-demand training video.

Through this training we refreshed our commitment on a global scale to fighting modern slavery, wherever and however we can. We also ensured that our people had the knowledge and the tools they needed to understand how to take action.

'Doing Business the Right Way'

We continue to develop a best practice compliance programme to ensure Intertek operates with the highest standards of compliance and ethical business practices, including through our supply chain partners.

We are committed to maintaining the trust and confidence of our stakeholders. One of the Group's primary business objectives is to help our customers meet quality standards for virtually any market in the world and protect them against risk by ensuring compliance with local, national and international laws.

The accuracy and reliability of reports and certificates that we provide are, therefore, important factors which contribute to our success and integral to this work is 'Doing Business the Right Way', our internal risk, compliance and quality programme.

Our compliance programme is designed to:

- give our people the processes, tools and training they need to ensure a safe and inclusive environment;
- support the delivery of our services and the performance of our contracts with integrity and in line with our commitment to Total Quality;
- obtain the commitment of every colleague to the highest standards of professional conduct; and
- deliver sustainable growth by managing our risks and doing the right thing for the longer term.

Public policy

We interact with trade associations and governmental authorities to provide input into industry and regulatory improvements in product safety, quality and risk assurance. In our interactions with governments, governmental authorities and regulators we ensure that we comply fully with all laws and regulations.

Ethics, integrity and professional conduct

Our commitment to the highest standards of integrity and professional ethics is embedded in the Group's culture through the principles set out in our Code of Ethics ('Code'). The Code sets a clear expectation that people working for our business must act at all times with integrity and in an open, honest, ethical and socially responsible manner.

The Code also covers health and safety, anti-bribery, anti-competitive practices, labour and human rights.

The Board, as a whole, oversees the implementation of human rights commitments and supports human rights as defined in the Code.

We have a culture in which all issues relevant to our professional conduct and the Code can be raised and discussed openly without recrimination. We operate a strict zero-tolerance policy regarding any breach of our Code and any behaviour that fails to meet our expected standards.

To support the implementation of our Code in our day-to-day business activities, all people working for, or on behalf of, Intertek are required to sign the Code upon joining the Group or before commencing work on our behalf. This confirms their acceptance of the high standards expected of them in all business dealings.

Intertek employees or people acting on Intertek's behalf are responsible for applying the Code in their own job role, their part of the business and location.

Every year, to support the continuing understanding in this area, all our people are required to complete our Code of Ethics training course. This training covers the Code and other important subjects relating to 'Doing Business the Right Way', such as data security and operational controls. Once completed, all employees are required to sign a document confirming their understanding that any breaches of the Code will result in disciplinary action that may include summary dismissal of the employee concerned.

Our Code of Ethics training educates all employees annually about potential integrity issues, including human rights, bribery, corruption, remuneration and employee relations. The Code of Ethics contains clear guidance on the grievance mechanisms and whistleblowing procedures that we have in place.

100%

We aim for 100% completion rates for eligible employees for our Code of Ethics training on an annual basis.

Whistleblowing hotline

To empower our people and stakeholders to voice any concerns about breaches of the Code or any of our other policies (including our Labour and Human Rights policy and Modern Slavery policy), we have a well-publicised hotline which can be used by all employees, contractors and other representing Intertek, or by third parties such as our customers or people who are affected by our operations.

This whistleblowing hotline is run by an independent, external provider. It is multi-language and is accessible by phone and by email 24 hours a day.

Those who are aware of any non-compliances with our policies and procedures are encouraged to report that conduct, non-compliance, or integrity or ethical concern using the hotline. Information posters are present in all of our sites.

Once a report is made to the hotline, it is triaged through the system and will be followed up by the relevant function, depending upon the nature of the allegation of non-compliance made. Our Group Compliance function, which is independent of our operational businesses and reports directly to our Group General Counsel, investigates, as appropriate, all reports received relating to integrity issues and other compliance matters. Provided there is no conflict of interest, all reports of integrity and compliance matters are also notified to our Group Risk, Ethics & Compliance Committee, which consist of our CEO, CFO, EVP for HR and Group General Counsel. This reporting line promotes effective oversight of the resolution both of individual issues and of any systemic or process improvements that can be made to address them.

During 2023, 106 reports of non-compliance with the Code were made to our hotline. Of those reports, 39 were substantiated or partially substantiated and required remedial action. Of these substantiated claims

- there were no substantiated grievances relating to human rights, labour practices or societal impact breaches;
- there were no environmental incidents;
- there were no anti-trust incidents;
- there were no violations of the rights of indigenous people; and
- there were no cases of discrimination.

Two confirmed incidents were identified through our hotline where employees were disciplined or dismissed due to non-compliance with our anti-corruption policy.

Sustainable procurement

We are deeply committed to operating with integrity by Doing Business the Right Way and to pursuing our corporate social responsibility activities through living our strong Values. Our suppliers have an important part to play in contributing to our sustainability.

Our sourcing approach

We work with thousands of suppliers around the world. We expect all suppliers to meet the same internationally recognised human rights, environmental and quality standards that we expect of our own businesses. These include meeting local legislative requirements but also applicable international requirements for workers' welfare and conditions of employment, such as those set by the International Labour Organization ("ILO") and the Ethical Trading Initiative.

Large global suppliers offer stability in terms of financial resilience, delivery capacity and pricing structures, potentially coupled with better pricing and improved margins. However, our supply chain is quite diverse and geographically dispersed, and our procurement teams need to find regional and local suppliers. Through structured sourcing processes, we select the best option for us while continuing to support local suppliers that meet our business and sustainability requirements. Selecting regional and local suppliers, where appropriate, demonstrates our commitment to supporting the communities in which we operate.

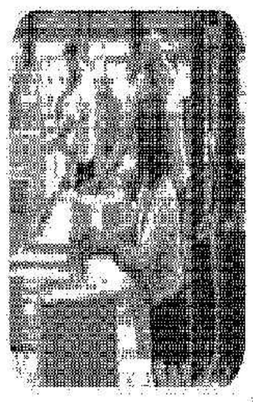
Evaluation of suppliers

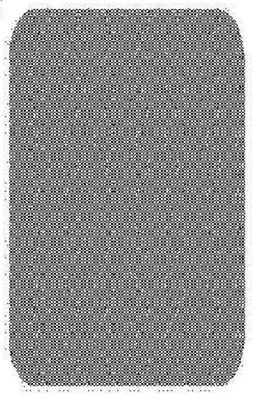
Our corporate procedures govern our purchasing and evaluation of vendors and sub-contractors supplying Intertek with goods and services.

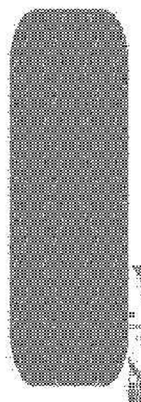
Approval and evaluation may be based on quality, health and safety, environmental performance and delivery. Performance is also measured, recorded and benchmarked against established objectives as part of our disciplined performance management principles, supported by our Quality Management System.

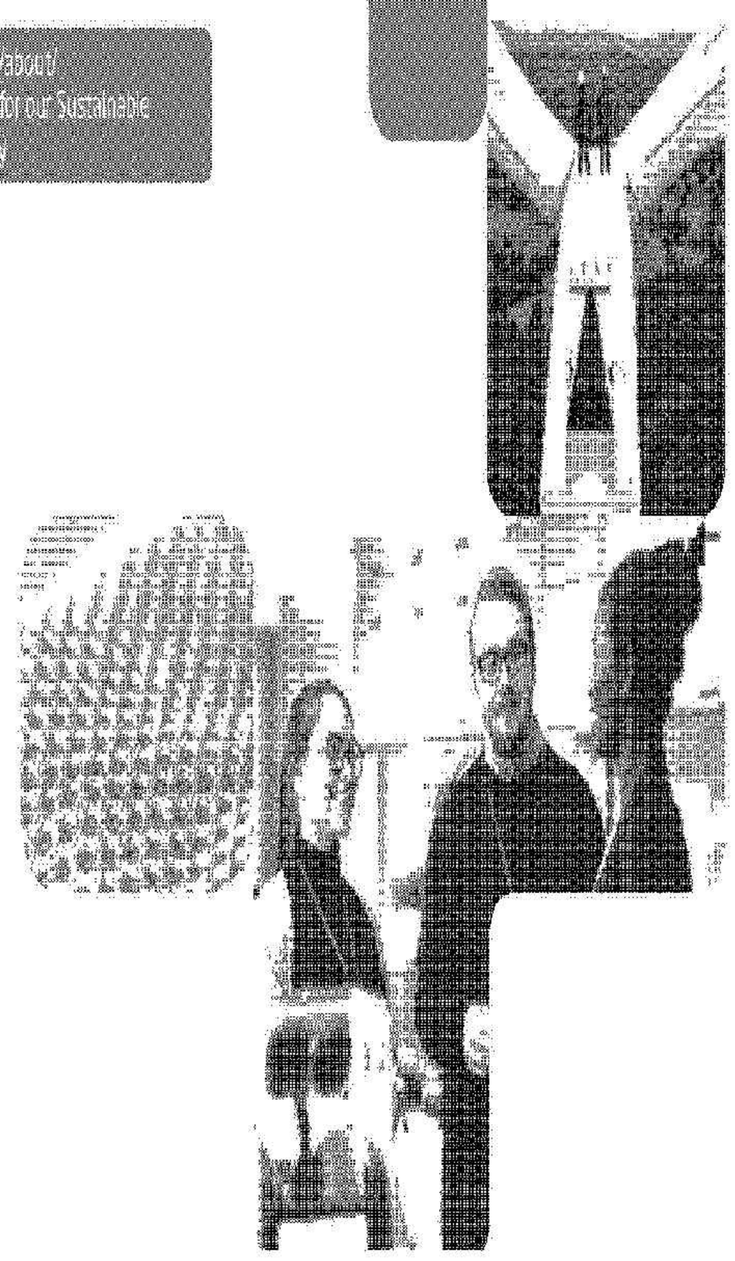
Going forward we will be looking at the environmental attributes of different procurement categories and investigating if we can already take steps to choose our suppliers based on their environmental and climate performance.

Visit: intertek.com/about/our-responsibility/our-Sustainable-Procurement-policy





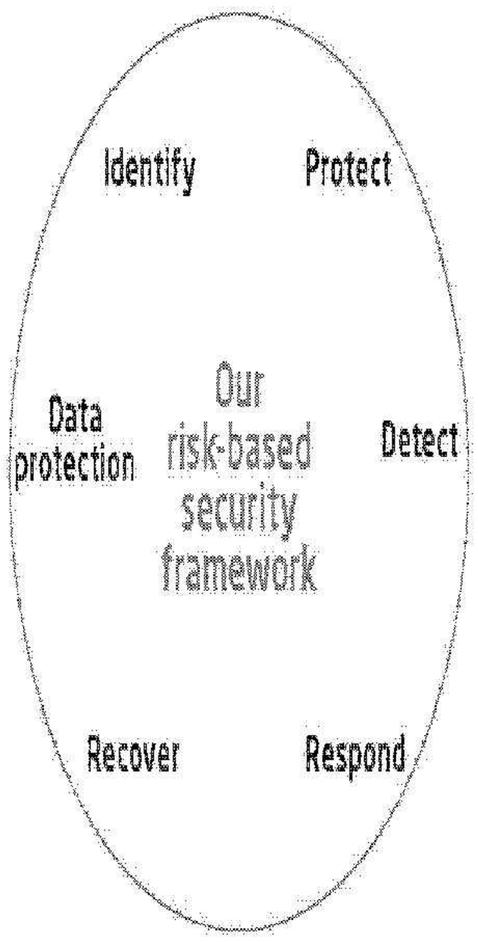




Enterprise security

At Intertek we have adopted a risk-based Cyber Security Framework, based on international best practice NIST Cybersecurity Framework. Our framework guides clear policies, guidelines, and supporting controls. We continue to innovate, enhancing service delivery and strengthening internal and external customer relationships to protect customer, employee and Intertek data.

There is regular reporting on progress of the security programmes to governance and oversight committees by our dedicated Chief Information Security Officer, who leads a global team.



We use a risk-based security framework model:

Identify
We develop a clear organisational understanding of risks to our systems, people and data, enabling us to prioritise efforts that are consistent with our risk management strategy and business needs.

Protect
We put in place appropriate safeguards to ensure delivery of critical services, including access control, staff awareness and training, and data security.

These safeguards support our ability to limit or contain the impact of potential events.

Detect
We define the appropriate activities for the timely discovery of the occurrence of security events. We monitor continuously and verify the effectiveness of protective measures.

Respond
We ensure response planning processes are executed before, during and after an incident, so that we take appropriate action regarding situations and contain their impact. We also implement improvements, by incorporating lessons learned from current and previous detection/response activities.

Recover
We undertake appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to an incident. Our recovery function ensures timely recovery to normal operations to reduce the impact from an incident.

Data protection
We believe that all our people and all our customers have the right to data privacy, and so we have adopted the best practices and standards set out in applicable Data Protection Regulations across all of our markets and operations, and in relation to all individuals whose personal data we obtain and use (not just individuals in the EEA). Our Group Data Protection policy is aligned with the UK General Data Protection Regulation ('GDPR') requirements to set out the minimum data protection standards we apply throughout our operations so that we use all personal data transparently, fairly and securely.

Intertek in Action



Uncompromising on Quality and Compliance

Intertek Core Mandatory Controls ('CMCs') are how we define, monitor and achieve consistently high standards in our control environment throughout the whole organisation. The CMCs are updated annually, reflecting changes in Intertek's systemic risks (risks which are inherent in our operations). The CMCs were updated in December 2023 and communicated to all colleagues via Whatson, our intranet. The CMCs are comprehensive, setting out Intertek's control framework, there are 295 controls organised under nine themes.

To ensure implementation, and to remain uncompromising on Quality and Compliance in relation to our cyber risk, our IT-related Core Mandatory Controls framework forms the mechanism to define, monitor and achieve consistently high standards. Control and oversight is provided through our Cyber Security Team, Group Legal & Compliance and the Internal Audit team. We have mandatory training on data security and privacy for all employees and global data breach response processes.

Sustainability Disclosure Index

The 2023 Intertek Sustainability Disclosure Index is complementary to our published reports and sets out how our latest disclosures map to our own Total Sustainability Assurance standards, the Global Reporting Initiative ('GRI') and applicable Sustainability Accounting Standards Board ('SASB') requirements.

intertek.com/about/our-responsibility/

More information on how sustainability is governed at Intertek can be found within our Directors' report on pages 46-47

Directors' report

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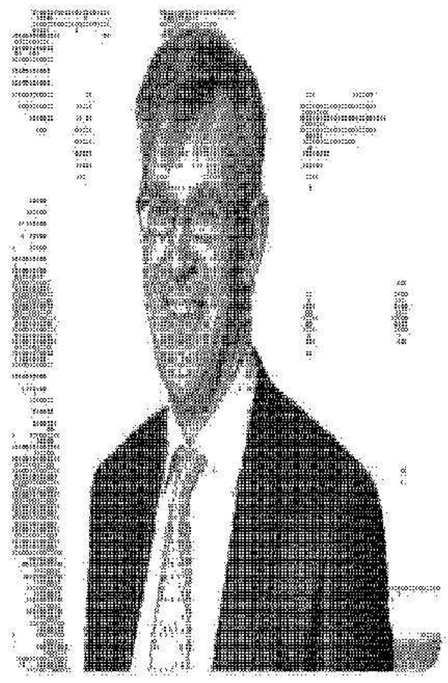
Board promise

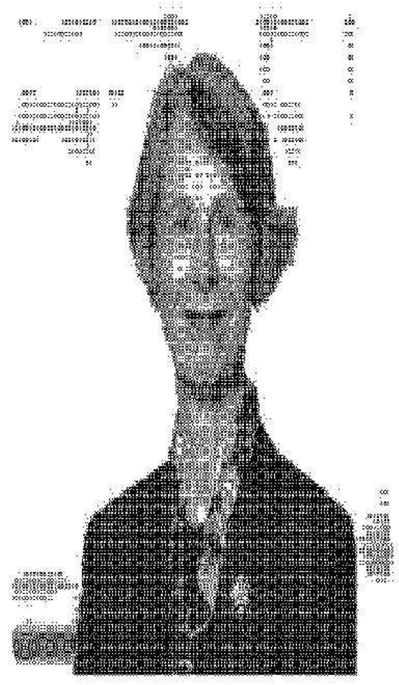
1 We recognise our responsibility to all stakeholders and will strive to ask the questions that matter and make the right decisions.

2 We will be forward looking and use our diverse perspectives and insights to promote Intertek's Purpose of bringing quality, safety and sustainability to life.

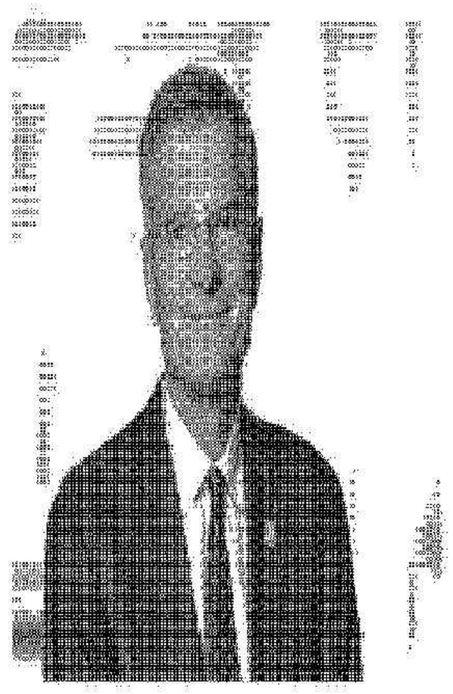
3 We will inspire our people to take client relationships and our performance to greater heights and to create sustainable growth for all.



Andrew Martin
Chair of the Board and Nomination Committee Chair



Gill Rider CB
Non-Executive Director and Remuneration Committee Chair



Jean-Michel Valette
Non-Executive Director and Audit Committee Chair

Governance highlights

Return of capital

111.7p Ordinary dividend per share for the financial year ended 31 December 2023 including interim and final dividend.

Progressed Board succession

Approved the appointment of a new Non-Executive Director and Chief Financial Officer.

Appraised strategic delivery

Launch of the AAA diversified growth strategy.

Acquisitions

Focused on investing in growth through targeted acquisition activity that will benefit customers and shareholders.

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2023 in Book two and Book three.

Board composition and diversity as of 31 December 2023

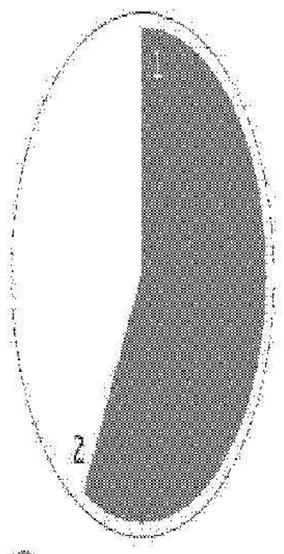
Board skills and experience

Consulting	6
Risk Management	11
Customer Service/Care	9
People	8
Finance	9
International	11
Sustainability	11
Digital/Technology	4
UK Listed Company Director	10
Previous/Current CEO	7
UK NED Experience	9

Our Non-Executive Directors have a diverse skill set and background as shown in the table above. This expertise enables the Board to constructively challenge management and encourages diversity of thought in the decision-making process. For their full biographies please see our website.

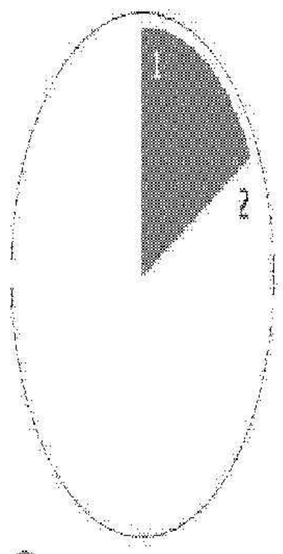
intertek.com/about/leadership-team/

Board balance by gender



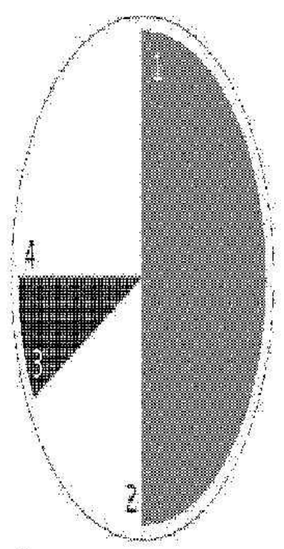
1. Male 58%
2. Female 42%

Board balance by independence



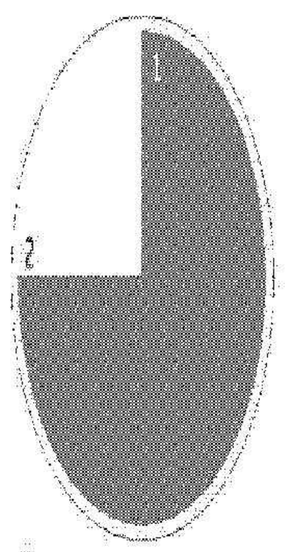
1. Executive Directors 17%
2. Independent Non-Executive Directors 83%

Geographical heritage



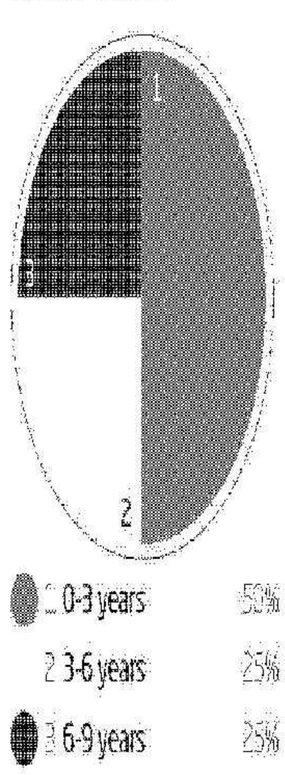
1. Europe 50%
2. North America 17%
3. Australasia 8%
4. South-East Asia 25%

Ethnicity



1. White 75%
2. Asian 25%

Board Tenure



1. 0-3 years 50%
2. 3-6 years 25%
3. 6-9 years 25%

Compliance with the 2018 UK Corporate Governance Code ('Code')

The Directors' report has been prepared to provide stakeholders with a comprehensive understanding of how the Company has applied the principles and complied with the provisions of the Code during 2023.

The Code is available at www.frc.org.uk

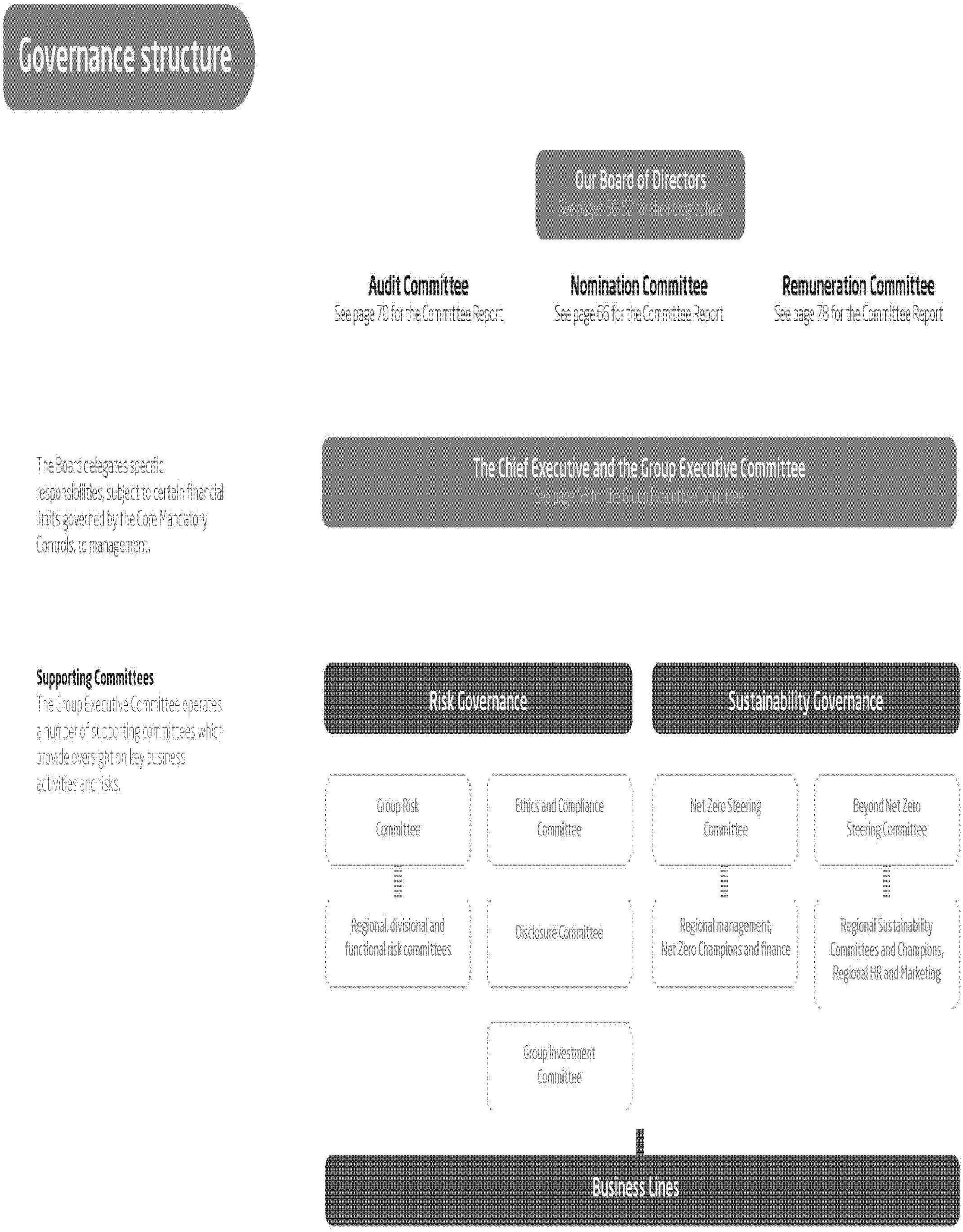
The Board confirms that during 2023, the Company has consistently applied the principles of good corporate governance contained in the Code and has complied with the provisions apart from Provision 38.

Provision 38 stipulates that the pension contribution rates for Executive Directors should be aligned with that of the workforce. The pension contribution for all new Executive Directors appointed to the Board since 2018 has been aligned with that of the workforce. However, when the current CEO joined Intertek in 2015, and prior to the introduction of Provision 38 in the Code issued in 2018, his contract stipulated a pension contribution of 30% of base salary per annum.

This is more than the pension contribution of the majority of the UK workforce. Regardless of the obligations outlined in the CEO's contract, agreement was reached with the CEO to reduce his pension from 30% of base salary to 5% over a period of five years starting from 2021, and from 1 June 2024, the pension contribution will reduce to 10% of base salary. More information on the engagement with shareholders on this issue is outlined in the letter from the Chair of the Remuneration Committee in the 2021 Annual Report & Accounts.

A more detailed explanation of our compliance can also be found on our website at intertek.com. The information required to be disclosed in accordance with DTR 7.2.6 can be found in the Other Statutory Information section on pages 104–107.

Governance structure



The Board delegates specific responsibilities, subject to certain financial limits governed by the Core Mandatory Controls, to management.

Supporting Committees

The Group Executive Committee operates a number of supporting committees which provide oversight on key business activities and risks.

Our Board of Directors

The Board has the overall responsibility to promote the success of the Company, ensuring that value is created for shareholders and contributes to wider society. It sets the strategic aims of the Company, ensures that the necessary resources are in place for the Company to meet its objectives and measures performance against them.

All Directors stand for annual election by shareholders. Further details on the Board's composition, diversity and independence can be found on page 10-11 and 15.

More detail on the Board's Committees' remit, membership and work can be found on page 48-49.

Nomination Committee

Ensures the Board and its Committees have the correct balance of skills, experience, knowledge and independence.

Audit Committee

Oversees financial reporting, the external and internal audit processes and internal controls. Ensures that the Group's risk management and internal control systems are effective.

Remuneration Committee

Establishes the Group's remuneration principles, ensuring that executive remuneration is aligned with the Group's strategy and long-term success.

Chief Executive Officer

The CEO is responsible for:

- Providing clear leadership to the Group and the Board.
- Ensuring the delivery of the Group's strategy and annual operating plan.
- Running and conducting the affairs of the Group with the highest standards of ethics, integrity and probity, and ensuring that these values are upheld throughout the Group.

Group Executive Committee

The Group Executive Committee is responsible for:

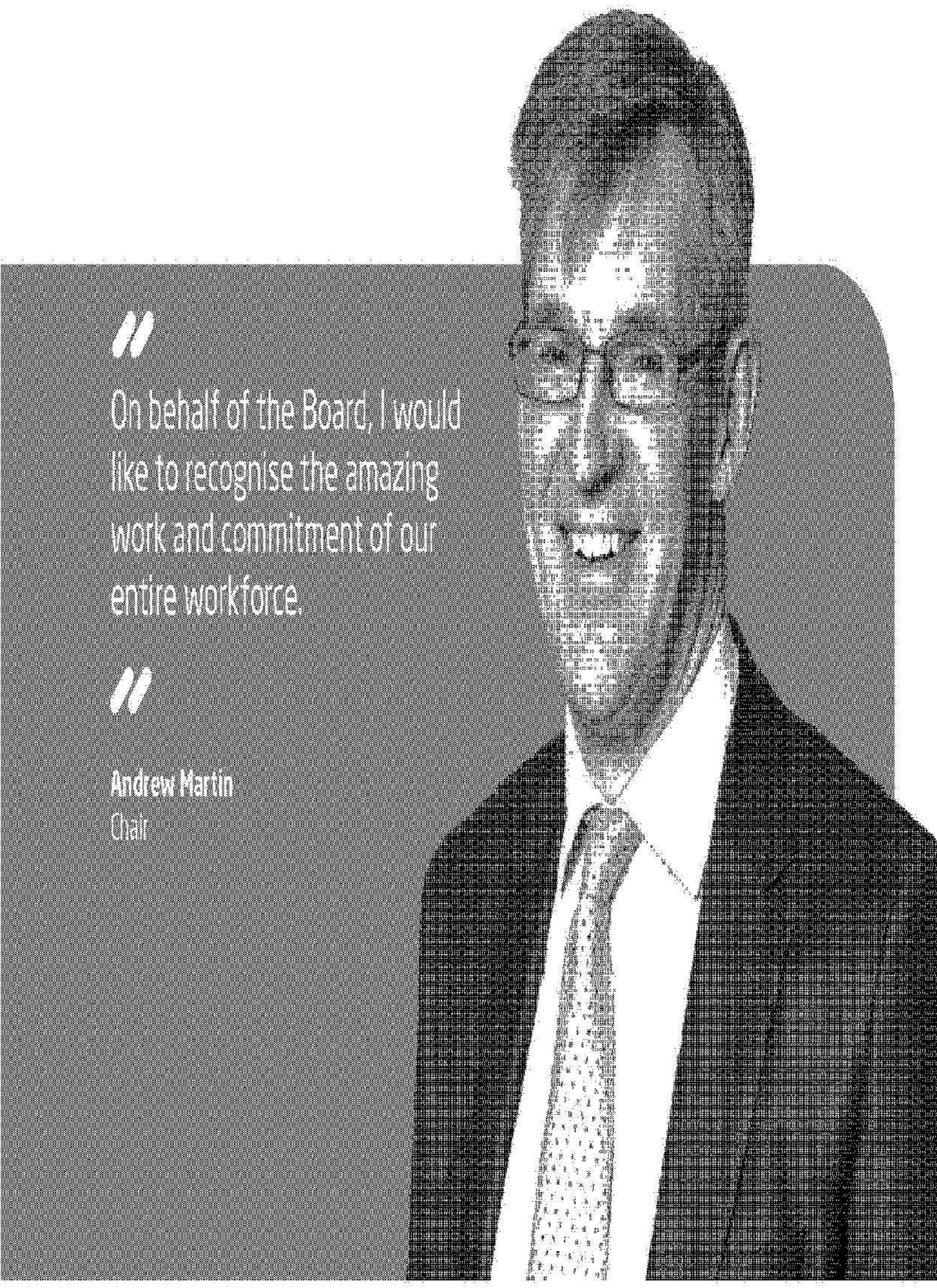
- Supporting the CEO in the delivery of the Group's strategic growth plans.
- Providing input to, and ensuring that decisions made by the Group are aligned to, the strategic aims and priorities of the Board.
- Supporting the CEO in implementing decisions made by the Board.

Supporting Committees

The Board Committees are delegated a specific area of focus by the Board, while the Group Executive Committee establishes and oversees the Committees needed at Group and Business Line level to achieve strategic delivery.

Clarity surrounding the responsibilities of each Committee is ensured through approved Terms of Reference. Monitoring of delegated matters is governed by our Core Mandatory controls, and annually reviewed and refreshed framework that allows the delivery of strategic aims and financial performance whilst allowing risk to be assessed and managed. On executive matters, the CEO and CFO are responsible for providing updates at each Board meeting.

Chair's introduction



"On behalf of the Board, I would like to recognise the amazing work and commitment of our entire workforce."

Andrew Martin
Chair

Dear shareholder

As we reflect on another year of progress and growth, I am pleased to share with you the highlights and achievements of our Company in 2023. Despite ongoing global challenges, including inflationary pressures and geopolitical uncertainties, our strong financial performance and our people's unwavering commitment to our purpose of bringing quality, safety and sustainability to life have allowed us to continue delivering exceptional service to our clients, and create value for our shareholders.

Financial performance

Our financial performance in 2023 was strong, reflecting the resilience and adaptability of our business model and the dedication of our talented teams. The demand for our ATIC solutions is accelerating and we have delivered the best like-for-like revenue growth in the last ten years. Our efforts to mitigate the impacts of inflation resulted in improved margins, showcasing the continued strength of our business model.

Our cash performance was strong and our balance sheet robust. We maintained our disciplined approach to capital allocation allowing us to invest in high-growth, high-margin initiatives and respond to evolving client needs while increasing Return on Invested Capital to 20.5%.

We continued to allocate resources towards innovation with a focus on sustainability. Building on the success of the CarbonClear and Carbon Zero programmes, we launched Intertek Hydrogen Assurance and opened a state-of-the-art Battery Centre of Excellence in Italy. I am particularly excited by the recently announced partnership with SunSpec to verify products that provide Cyber Security for electrical grids.

Our commitment to supplement growth through acquisitions continued in 2023, with the integration of Preytlyng, strengthening our People Assurance services and Centro Analítico Análises Técnicas expanding our Food and Agriculture offering in Brazil.

In line with our dividend policy, the Board is proposing a final dividend of 74.0p making 111.7p for the full year representing a payout ratio of 50%. In recognition of the Group's highly cash generative earnings model, strong financial position, ability to fund continued growth investments and the Board's confidence in the attractive long term growth prospects, from 2024 we are changing our dividend policy to increase the targeted payout ratio to circa 65% of earnings.

Strategy and People

In May 2023, Andrée and the management team hosted a successful two-day Capital Markets Event in London setting out the market AAA differentiated growth strategy to unlock the significant ongoing value growth opportunity. This event was a pivotal moment for me to, and ahead of the event, the Board had been fully engaged in the development of this strategic vision for the future and with the plans to capitalise on our strengths and address the areas requiring ongoing development. Consistent with our commitment to transparency, we announced new segmental disclosures and revenue growth targets to align with our increased focus on key markets and business areas.

Through the remainder of the year, the Board met with geographical and business line leaders to discuss the implementation and alignment of the Group strategy. These meetings have enabled us to see how we are driving collaboration across the organisation and enhancing our ability to deliver best-in-class services to our clients. We also completed deep dive reviews of the portfolio and visited one of our key markets holding a Board meeting in Austin, Texas at the offices of Alchemy.

All these meetings facilitated engagement with our people who remain at the heart of our success. The Board fully supports investment in their development and well being. We are proud of the diverse and inclusive culture that we have fostered, which enables us to attract, retain, and develop the best talent in the industry and is critical for delivering sustainable value to all stakeholders.

The Board and I would like to express our gratitude to our entire workforce for their dedication, passion and hard work.

Governance and the Board

Strong corporate governance remains a cornerstone of our Company, underpinning the sustainability of our business and the delivery of our strategy. The Board continues to constructively challenge and support executive management as it executes the strategy and reacts to change while meeting its core responsibility of overseeing our governance framework, risk management, financial performance, corporate controls and culture.

Throughout the year, we have maintained a proper dialogue with our major shareholders and received feedback on their views. In addition, I met with leading shareholders to hear directly their thoughts about our performance, strategy and governance, which has been invaluable in shaping our approach to creating long-term value for all stakeholders.

There have been a number of changes to the Board. In March 2023 Colin Day was appointed Group Chief Financial Officer. Colin has wide knowledge of Intertek having previously worked as Group Treasurer, Head of Tax and a leader of several of our key businesses. We have continued to enhance capabilities on the Board, with Aruna Sheth joining the Board on 1 September 2023 as a Non-Executive Director bringing with her over three decades of experience in consumer brands and ASEAN markets.

As Chair, I am responsible for ensuring the effectiveness of the Board, its Committees and individual Directors, that it operates with openness and inclusivity and that each Board member contributes such that we benefit from the diversity of skills and experience that they bring. This year's performance review of the Board was internal. The evaluation concluded that the Board and its Committees are performing effectively, with clear and appropriate terms of reference, policies and processes, have the necessary information and resources provided and time allocated for discussions to function effectively, and have an appropriate balance of skills, experience and knowledge to encourage challenge and debate.

Looking forward

Our global presence, expertise in Total Quality Assurance, market leading positions and the enthusiasm of our people provide a great strong foundation for continued growth of Intertek. We remain confident in our ability to deliver sustainable growth and value for all stakeholders, as we capitalise on the significant opportunities within the assurance, testing, inspection, and certification industry. I would like to thank our shareholders for their ongoing support and I look forward to sharing further successes with you in the future.



Andrew Martin
Chair

> "Despite ongoing global challenges, including inflationary pressures and geopolitical uncertainties, our strong financial performance and our people's unwavering commitment to our purpose of 'bringing quality, safety and sustainability to life' have allowed us to continue delivering exceptional service to our clients, and create value for our shareholders."

Board of Directors



Andrew Martin N

Chair

Appointed: to the Board in May 2016; appointed Chair in January 2021

Tenure: 7.5 years

Skills and competencies:
Andrew is a qualified accountant and an Associate of the Chartered Institute of Taxation with wide-ranging experience and an extensive financial background within large international organisations, which provides great strength and depth to the Intertek Board. His experience as a Chair and as a Non-Executive Director assists in promoting the long-term sustainable success of the Company for stakeholders and generating value for shareholders.

From 2012 to 2015, Andrew was Chief Operating Officer for Compass Group plc having previously been their Group Finance Director from 2004 to 2012. Before joining Compass Group, he held senior financial positions with First Choice Holidays plc, Yell Group plc, Forte plc and Granada Group plc (now ITV plc) and was a partner at Arthur Andersen.

Andrew has been a Non-Executive Director of easyJet plc and a Non-Executive Director of the John Lewis Partnership Board.

Committees:

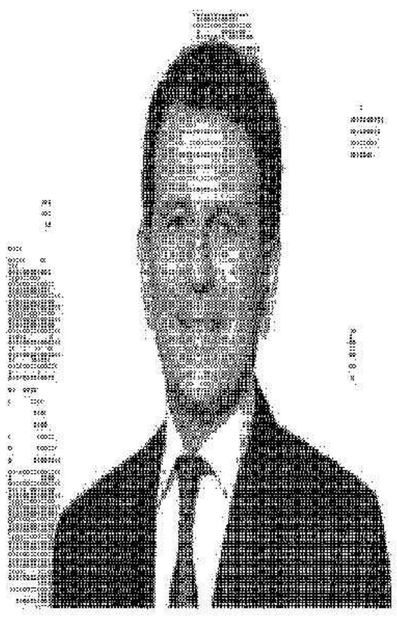
Audit A

Nomination N

Remuneration R

Committee Chair

Current principal external appointments:
Non-Executive Chairman of Hays plc and Chair of their Nomination Committee



André Lacroix

Chief Executive Officer

Appointed: to the Board in May 2015

Tenure: 8.5 years

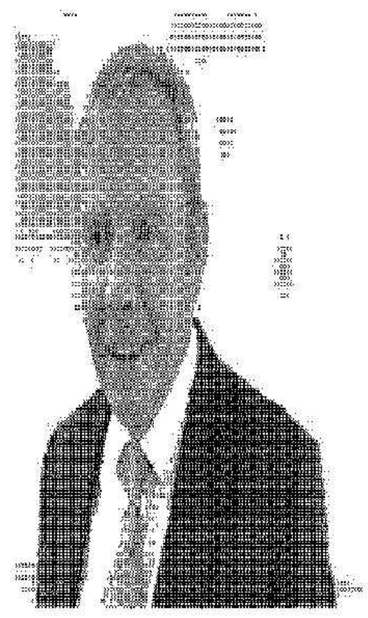
Skills and competencies:
André has an excellent track record of delivering long-term growth strategies and shareholder value globally across diverse territories.

He has consistently succeeded in driving growth and performance throughout his career and has the requisite qualities to carry on leading Intertek in its consistent drive for long-term sustainable value creation.

From 2005 to 2015, André was Group CEO of Inchcape plc, during which time he strengthened its position in the global automotive market with a track record of delivering double-digit earnings growth with strong cash generation, and created significant shareholder value as its market capitalisation more than doubled during his tenure as CEO.

He was previously Chairman and Chief Executive Officer of Euro Disney S.C.A., President of Burger King International operations and the Senior Independent Director of Reckitt Benckiser Group plc from October 2008 to December 2018.

Current principal external appointments:
None



Colm Deasy

Chief Financial Officer

Appointed: to the Board in March 2023

Tenure: 0.75 year

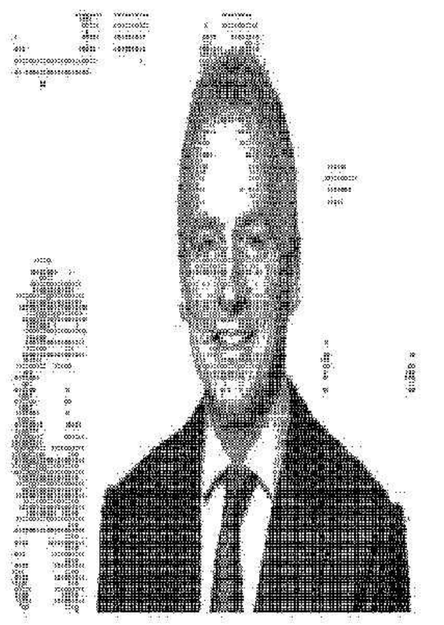
Skills and competencies:
Colm brings extensive knowledge and understanding of the complexities of the Intertek Group, both since he joined the Board.

He joined Intertek in 2016 as the Group Treasurer and later Tax Director.

In 2018 he moved into the role of Regional Managing Director for Asia Pacific before his promotion as President Global Transportation Technologies, Building & Construction and People Assurance.

Prior to Intertek, Colm worked in banking and insurance in EMEA, before coming to the UK to take up senior roles in finance and general management.

Current principal external appointments:
None



Graham Allan N R

Senior Independent Director

Appointed: to the Board in October 2017

Tenure: 6 years

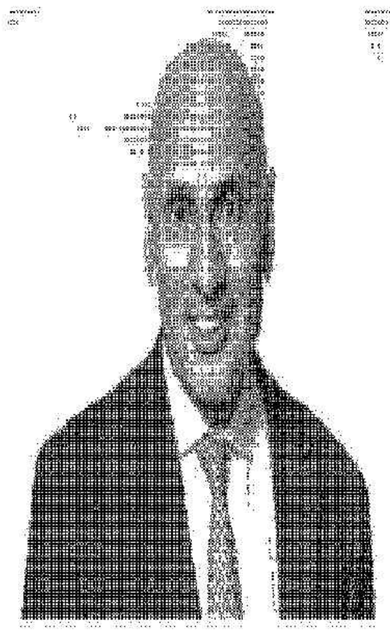
Skills and competencies:
Graham brings strong general management experience, as well as extensive knowledge of Asian and other international markets, in consumer and retail businesses. This background provides a strong complement to the current skills on the Board. He also has vast experience of operating at Board level on a global scale. Graham was Group Chief Executive of Dairy Farm International Holdings Limited, an Asian retailer based in Hong Kong, from 2012-2017 and President and CEO of Yum Restaurants International (a Division of Yum Brands) from 2005-2012. In the latter role, he led the growth of global brands KFC, Pizza Hut and Taco Bell across most international markets. He has previously worked at Yum Brands and PepsiCo in several senior management positions since 1992. Prior to joining PepsiCo, he worked as a consultant at McKinsey & Co Inc.

He has also previously served as a Non-Executive Director of Yonghui Superstores Co Ltd in China and a Commissioner of Hero Group, a leading Indonesian retailer.

Current principal external appointments:
Senior Independent Non-Executive Director of InterContinental Hotels Group plc, Non-Executive Director of Associated British Foods plc, Americana Restaurants International plc and a Director of Kano Retail Pte Ltd (privately owned), Chairman of Bata International (privately owned), and adviser to Nando's Ltd

(Tenure is given as at 31 December 2023)

Board of Directors Continued



Gurnek Bains (N) (R)

Non-Executive Director

Appointed: to the Board in July 2017

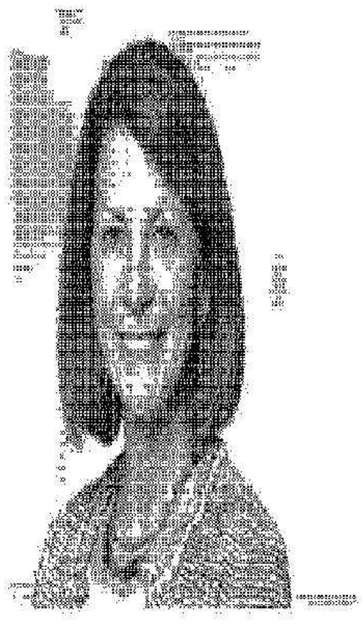
Tenure: 6.5 years

Skills and competencies:
Gurnek's extensive experience, working with senior leaders across a wide range of industries internationally and his thought leadership on culture and leadership development provides an important voice in the discussions at Board level, particularly with the Group People Strategy being of such great importance to the long-term sustainable success of the Company.

Gurnek was the co-founder of YSC Ltd, a premier global business psychology consultancy. He led the business as CEO and Chair for 25 years, to a position of global pre-eminence, and a client base comprising over 40% of the FTSE 100. Gurnek has worked extensively with multinational organisations in the areas of culture change, vision and values, executive coaching and assessment, Board development and strategic talent development.

Gurnek is Chair of Akram Khan Dance Company and has a doctorate in psychology from Oxford University.

Current principal external appointments:
Managing Partner of Global Future Partnership LLP and CEO of Nous Think Tank.



Lynda Clarizio (A)

Non-Executive Director

Appointed: to the Board in March 2021

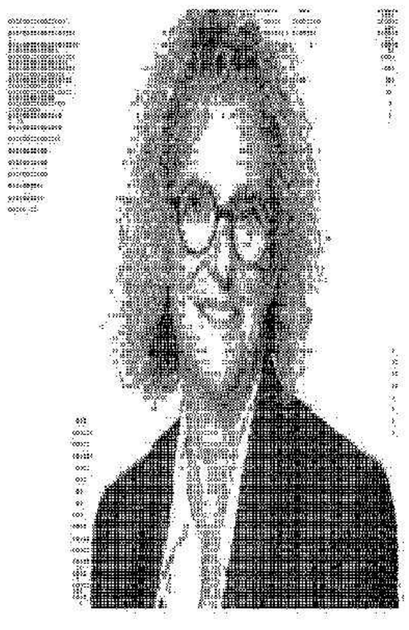
Tenure: 2.75 years

Skills and competencies:
Lynda has over 20 years' experience in the media industry, growing and scaling businesses with a focus on data and technology to drive transparency, accountability and improve business performance. Lynda's outstanding leadership and significant experience in digital measurement and broader technology provides a strong addition to the skills on the Board.

Lynda is the Co-Founder and General Partner of The 99, an early stage venture fund investing in technology businesses led by women. Lynda was President of U.S. Media at Nielsen Holdings plc, a global measurement and data analytics company. She has also held CEO, President and other leadership positions at AppNexus, Inc., NVISION, Inc., AOL Inc. and Advertising.com.

She was previously a partner in the law firm Arnold & Porter, where she practised law until 1999.

Current principal external appointments:
Non-Executive Director of CDW Corporation, Emerald Holding, Inc. and Taboola.com Ltd. (US listed companies), and Simpli.fi Holdings, Inc. and Centro Cy (both privately owned); Non-Executive Director of Human Rights First (a non-profit international human rights organisation).



Tamara Ingram OBE (N) (R)

Non-Executive Director

Appointed: to the Board in December 2020

Tenure: 3 years

Skills and competencies:
Tamara has had an extensive career in advertising, marketing and digital communication and has a deep understanding of consumer brands and digital strategy. She brings a strong track record of outstanding leadership in global marketing services and her experience of branding, together with her stakeholder management abilities, bring additional skills and expertise to the Board.

Tamara held leadership roles within WPP from 2002, and was the Global Chair of Wunderman Thompson (a subsidiary of WPP plc). Her executive experience includes senior roles at Kantar Group, McCann Ericsson and Saatchi & Saatchi UK, where she held the roles of CEO and Executive Chair. Tamara was previously a Non-Executive Director of Sage Group plc and Serco Group plc.

She is Chair of Asthma + Lung UK.

Current principal external appointments:
Non-Executive Director of Marsh & McLennan Companies, Inc., Non-Executive Director of Marks and Spencer Group plc and Non-Executive Director of Reckitt Benckiser Group plc.



Jez Maiden (A)

Non-Executive Director

Appointed: to the Board in May 2022

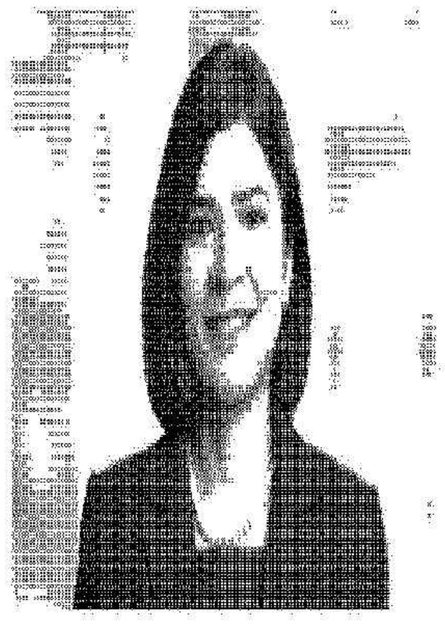
Tenure: 1.5 years

Skills and competencies:
Jez is an experienced international public company CFO with a strong track record who has worked in a diverse range of industries and sectors, primarily manufacturing, service and finance. In addition to Jez has a strong background as Non-Executive Director.

Jez retired as Group Finance Director for Croda International Plc (the FTSE 100 global specialty chemicals company) in March 2023 after being in the role since 2013. Before he joined Croda International plc, he had been the Group FD at National Express Group, Northern Foods Plc and Chief Financial Officer at British Vita Plc. He was previously the Senior Independent Director, Chair of the Audit Committee and a member of the Nomination and Remuneration Committees at Synthomer plc and Chair of the Audit & Risk Committee and a member of the Nomination and Remuneration Committees at PZ Cussons plc.

Jez is a Fellow of the Chartered Institute of Management Accountants.

Current principal external appointments:
Senior Independent Director of Travis Perkins plc, Non-Executive Director of Smith & Nephew plc, Chair of their Audit Committee and a member of their Remuneration Committee; and Non-Executive Director of the Centre for Process Innovation Ltd.



Kawal Preet

Non-Executive Director

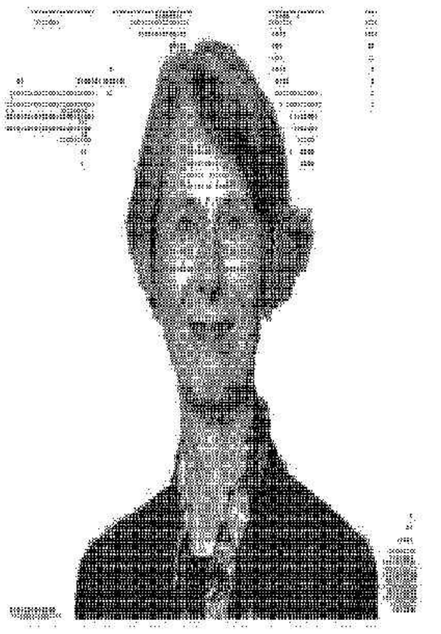
Appointed: to the Board in December 2022

Tenure: 1 year

Skills and competencies:
Kawal is an accomplished senior executive with extensive experience of cross-functional leadership responsibilities in the fast-paced and dynamic express transportation and airline industry and supply chains. Her experience of the Asian, Middle East and African market provides a strong addition to the skills on the Intertek Board.

After a career of over 25 years at FedEx Express in various roles spanning service quality assurance, ground operations and planning and engineering for the air and ground network, Kawal is currently President Asia Pacific, Middle East and Africa, a position she has held since 2020. In that role, she has responsibility for a region encompassing 103 countries and territories with nearly 35,000 employees. After working for Tata Motors as a Graduate Engineer Trainee in India, Kawal joined FedEx Express as an Associate Engineer in Singapore. Kawal was previously a Non-Executive Director of Asia Airfreight Terminal Co. Ltd. from 2016 to 2020. Kawal has a degree in Electrical Engineering and an MBA.

Current principal external appointments:
President, Asia Pacific, Middle East and Africa for FedEx and US-ASEAN Business Council and Junior Achievement, Asia Pacific.



Gill Rider CB

R A

Non-Executive Director

Appointed: to the Board in July 2015

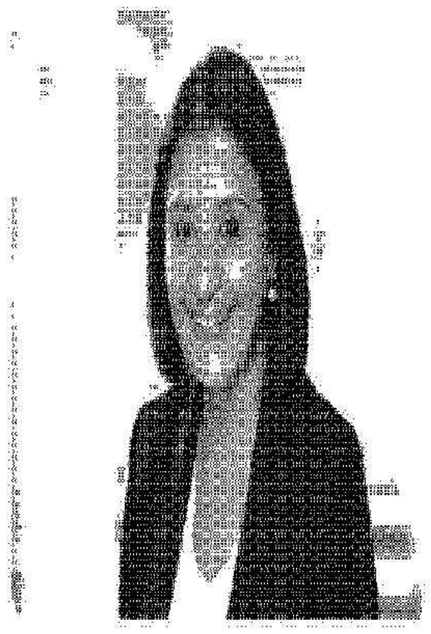
Tenure: 8.5 years

Skills and competencies:
Gill's successful career on the people agenda in organisations across the world, dealing with a diverse range of cultures and nationalities and her extensive experience as a Non-Executive Director add extensive value to our Board.

Gill was appointed Chair of Pennon Group Plc in July 2020 having previously been their Senior Independent Non-Executive Director and Chair of their Sustainability Committee. She also chairs their Nomination Committee.

Gill has held positions as Pro-Chancellor and Chair of the University of Southampton, the President of the Chartered Institute of Personnel & Development, Head of the Civil Service Capability Group in the Cabinet Office, reporting to the Cabinet Secretary, and a number of senior positions with Accenture, resulting in the post of Chief Leadership Officer for the global firm. She was previously a Non-Executive Director of De La Rue plc and Senior Independent Director of Charles Taylor plc, where she also chaired their Remuneration Committee. She is currently President of the Marine Biology Association.

Current principal external appointments:
Chair at Pennon Group plc, where she also chairs their Nomination Committee. Chair of South West Water (a subsidiary of Pennon Group plc).



Apurvi Sheth

Non-Executive Director

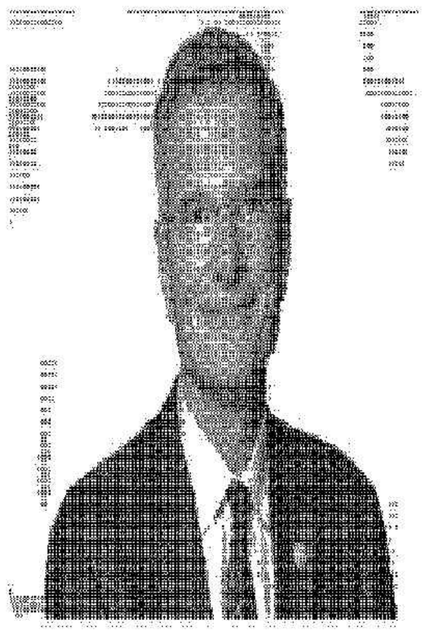
Appointed: to the Board in September 2023

Tenure: 0.25 years

Skills and competencies:
Apurvi has extensive executive experience spanning over three decades across numerous well-known international consumer brands in the food and beverage industry. Most recently she was the Managing Director, Southeast Asia at Diageo plc. Having spent the majority of her career in Asia and India, Apurvi brings her deep consumer experience across diverse markets including China, Japan, Australia, SEA and India to the Intertek Board.

Apurvi has also served as Marketing Director South East Asia at PepsiCo International, Marketing Director of India at Coca-Cola India and held various roles at Nestlé S.A. in India. She also previously served as a Non-Executive Director of Heineken Malaysia BHD.

Current principal external appointments:
Strategic Advisor to various companies in Southeast Asia and India, across a wide range of sectors including food and beverage, retail and technology. Non-Executive Director of SSP P.L.C. and a member of their Remuneration and Nomination Committees.



Jean-Michel Valette

A

Non-Executive Director

Appointed: to the Board in July 2017

Tenure: 5.5 years

Skills and competencies:
Jean-Michel brings strong US and global management experience, especially in consumer and luxury goods companies, which broadens the international and customer knowledge on the Board. Jean-Michel's wealth of knowledge of the US markets, especially from a customer perspective is an asset to the Board.

Jean-Michel has more than 30 years' experience in management, US public company corporate governance, strategic planning and finance. Previously he was Chair of Steep Number Corporation, Chairman of Peet's Coffee and Tea, Inc., a US beverage company which was then listed. He was also Managing Director at the Robert Mondavi Winery before becoming Chairman. In his earlier career, Jean-Michel was President and CEO of Franciscan Estates, Inc., a premium wine company.

He currently serves as an independent adviser in the US to select branded consumer companies.

He has an MBA from Harvard Business School.

Current principal external appointments:
Director and Audit Committee Chair of The Boston Beer Company, Chairman of Honneus Vintners and Chairman of Drink Drop Hydration Inc. (Both private US companies). Director of Fine & Rare Wines Limited.

Division of responsibilities

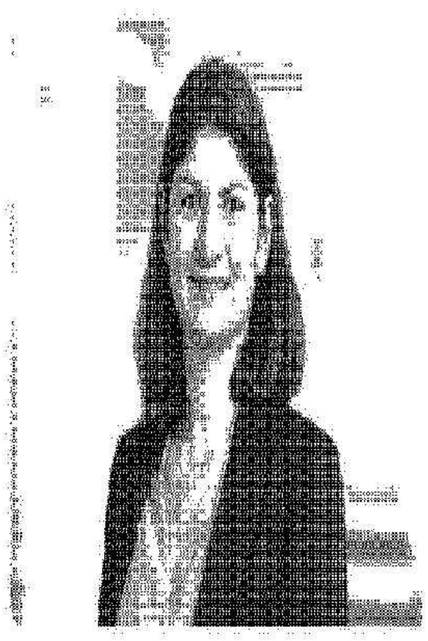
Our Directors share collective responsibility for the actives of the Board. There is a clear division of responsibilities between the Chair and the CEO as required under the Code.

Our independent Non-Executive Directors play a vital role in ensuring good governance and accountability. The responsibilities of the Chair, CEO, CFO and Senior Independent Director and other key roles, along with the matters reserved to the Board, are set out on our website.

intertek.com/investors/corporate-governance/

Other Directors on the Board during the year

Jonathan Timmis ceased to be an Executive Director on 17 March 2023 having joined the Board in 2021.



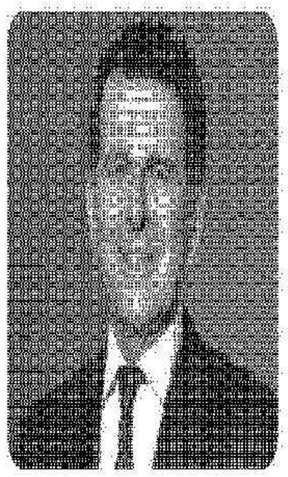
Ida Woodger

Group Company Secretary

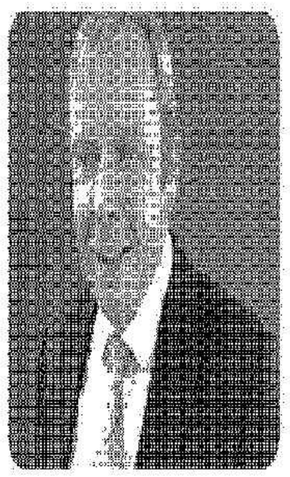
Ida was appointed as Group Company Secretary on 31 March 2023 having previously held the position of Head of Sustainability. Ida provides advice and support to the Board, its Committees and the Chair, and is responsible for corporate governance across the Group. Ida is an Associate of the Chartered Governance Institute UK and Ireland.

The appointment and removal of the Company Secretary is a matter for the Board.

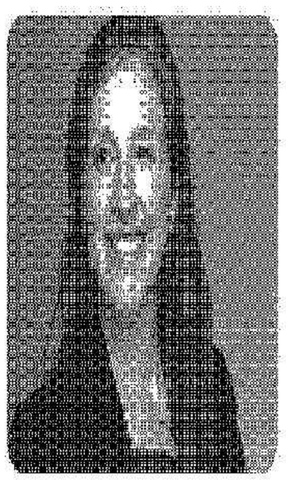
Group Executive Committee



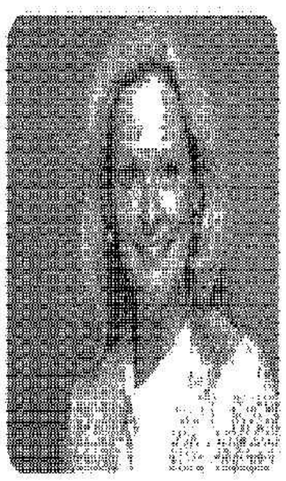
André Lacroix
Chief Executive Officer



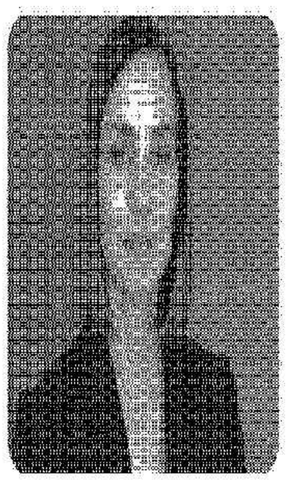
Colm Deasy
Chief Financial Officer



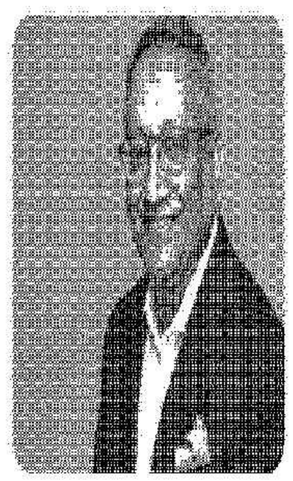
Laura Atherton
Group General Counsel and Head of Risk and Compliance



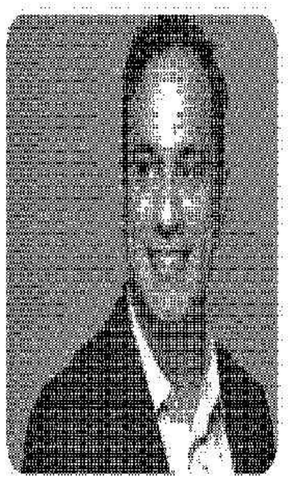
Alexandra Berger
Senior Vice President Chief Marketing & Communications Officer



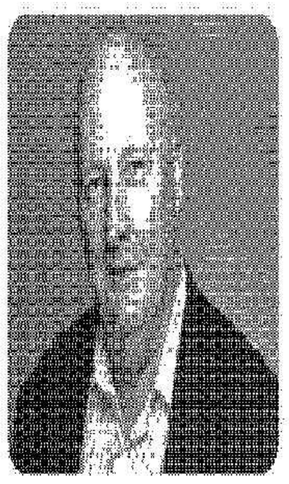
Laura Crespi
Group Financial Controller



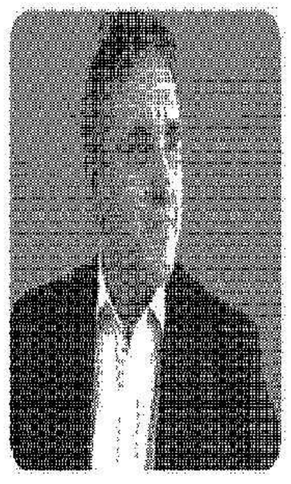
Sandeep Das
Regional Managing Director South Asia and President Global Softlines and Hardlines



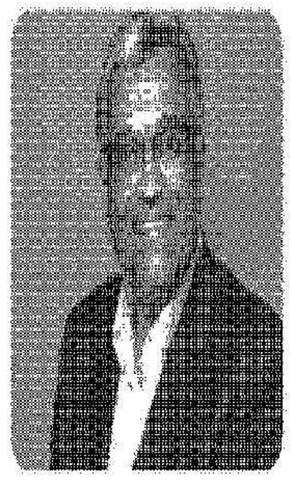
Ayush Dhital
Regional Managing Director Asia Pacific



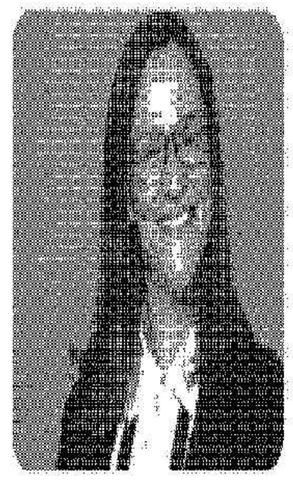
John Fowler
Senior Vice President Minerals and E&P



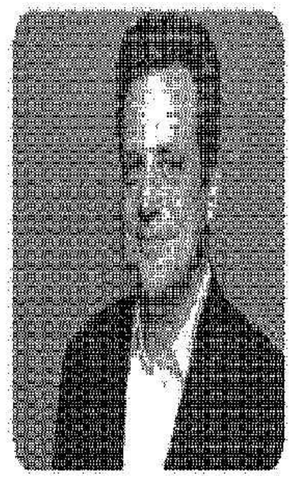
Ian Galloway
Executive Vice President, Caleb Brett



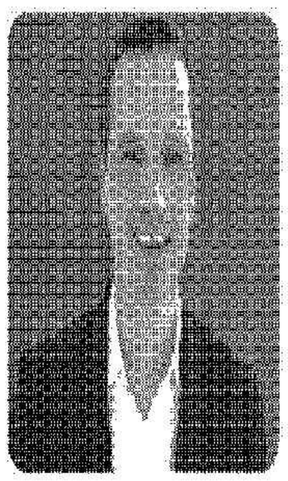
Tony George
Executive Vice President, Human Resources



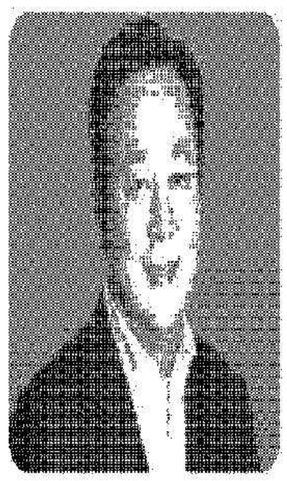
Marie Giannini
Vice President Communications and Head of Sustainability



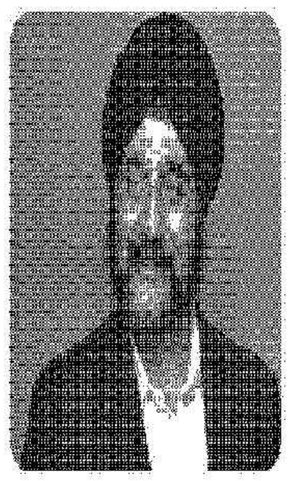
Bertrand Mallet
Executive Vice President, Industry Services



Ross McCluskey
Executive Vice President, Europe, Middle East and Africa



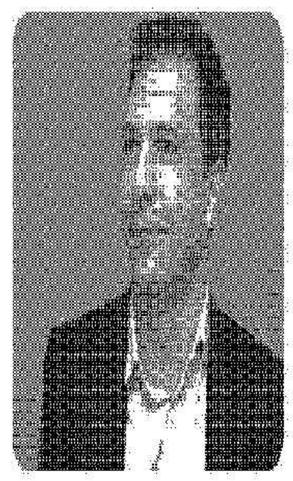
John Qin
CEO Greater China



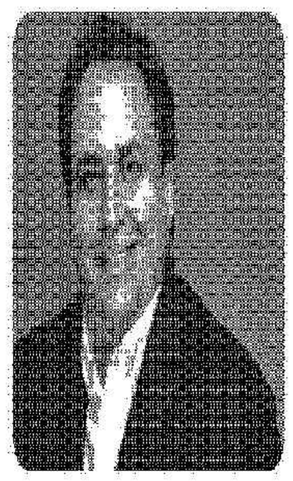
Saranpal Rai
President Electrical, Connected World and Transportation Technologies



Julia Thomas
Senior Vice President Corporate Development Group



Mark Thomas
Executive Vice President, Global Sustainability, Assurance, Agri World and Food



Carlos Velasco
President Latin America and Global Building and Construction

Key changes to the Group Executive Committee were announced on 20 March 2023. A copy of the announcement is available on our website intertek.com/investors/results-presentations-announcements/

Board leadership and company purpose

Effective and entrepreneurial board

Role of the Board

The governance of Intertek is the responsibility of the Board, with the support of the Group Company Secretary, and provides the framework of authority and accountability that operates throughout the Company to ensure the needs of all stakeholders are considered and met. Good governance requires the Board to lead, guide and support the business in its quest to create sustainable long-term value for the mutual benefits of our shareholder, customer, employees and the communities in which we operate. We all have differing skills, a wide range of diverse experience and extensive knowledge built up over time in our professional careers, which enables the Board to fully understand the strategic business drivers of Intertek, our assets, the risks and exposures associated with the multiple sectors and regions in which the Company operates.

100%

Board meeting attendance

Board members and meeting attendance during the year to 31 December 2023

Board members	Scheduled meetings eligible to attend	Meetings attended
Andrew Martin Chair	5	5
André Lacroix Chief Executive Officer	5	5
Jonathan Timmis Chief Financial Officer[1]	1	1
Colm Deasy Chief Financial Officer[2]	4	4
Graham Allan Senior Independent Non-Executive Director	5	5
Gurnek Bains Non-Executive Director	5	5
Lynda Clarizio Non-Executive Director	5	5
Tamara Ingram Non-Executive Director	5	5
Jez Maiden Non-Executive Director	5	5
Kawal Preet Non-Executive Director	5	5
Gill Rider Non-Executive Director	5	5
Apurvi Sheth Non-Executive Director[3]	2	2
Jean-Michel Valette Non-Executive Director	5	5

1 Ceased to be a Director 17 March 2023.
2 Appointed as a Director 27 March 2023.
3 Appointed as Non-Executive Director 1 September 2023.

There is a clear division of responsibilities between the roles of the Chair and the Chief Executive. To allow these responsibilities to be discharged effectively, the Chair and Chief Executive maintain regular dialogue outside the boardroom, to ensure an effective flow of information. The Non-Executive Directors have formal as well as informal contact with senior leadership. Contact with the wider business is encouraged to develop a deeper understanding of the Group's operations and this engagement is well received.

The effectiveness of the Board is reviewed at least annually and conducted according to the guidance set out in the Code. You can read more about this year's internally facilitated Board Effectiveness evaluation on pages 62-63.

Board meetings

We held five scheduled Board meetings during the year. Following each meeting the Chair also held private sessions with the Non-Executive Directors and maintained regular contact with the Senior Independent Director.

The Group Company Secretary is Secretary to the Board, and she attends all meetings and provides advice, guidance and support as required.

Where Directors have concerns about the operation of the Board or the management of the Company that cannot be resolved, the minutes will reflect this. No such concerns were raised during the year.

Directors' conflicts of interest

The Board operates a policy to identify, authorise and manage any conflicts of interest to assist Directors in complying with their duty to avoid actual or potential conflicts. The Directors are advised of the process upon appointment and receive an annual refresher. Whenever any Director considers that they are, or may be, interested in any contract or arrangement to which the Company is or may be a party, the Director gives due notice to the Board in accordance with the Companies Act 2006 and the Articles.

The Conflicts of Interest Register is maintained by the Group Company Secretary and the Board undertakes an annual review of each Director's interests, if any, including outside the Company. Any conflicts of interest are reviewed when a new Director is appointed, or if and when a new potential conflict arises. A formal process is also in place for managing such conflicts to ensure no conflicted Directors is involved in any decision related to the conflict and during the year this process operated effectively.

The Intertek value proposition and Purpose

Intertek's story has always been about innovation. In 1885 we began testing and certifying grain cargoes before they were put to sea, and in 1888 we pioneered the idea of independent testing laboratories. Then in 1896, the greatest inventor of them all became part of our story. When Thomas Edison released the wonders of electricity and the light bulb, he wanted to ensure that his products were checked, tested and safe. He established the Lamp Testing Bureau, later to become the Electrical Testing Laboratories.

Today, our superior customer service is based on our Science-based Customer Excellence approach which we have built up over many years. This is based on three essential components, our science-based technical expertise, our continuous improvement and innovation.

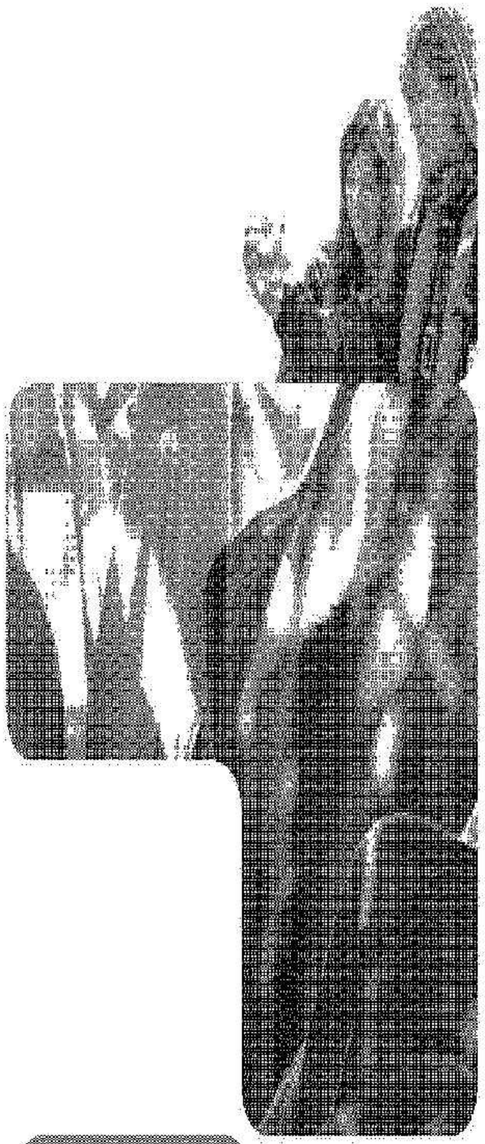
The foundations and aspirations of our business remain true to those established by our visionary founders, and their innovation and energy continue to be our inspiration. Our passion and entrepreneurial culture will ensure that we deliver for our customers in quality, safety and sustainability - today and in the future.

The Board, with the Leadership Team, sets the corporate culture that defines our Purpose and establishes an environment where values are appreciated and respected, encouraging all of our people to 'Do Business the Right Way'. Our culture and values have been and remain the core foundations of Intertek.

Our 1BX culture is one of entrepreneurial spirit and high performance, and our people are excited about the opportunities ahead.

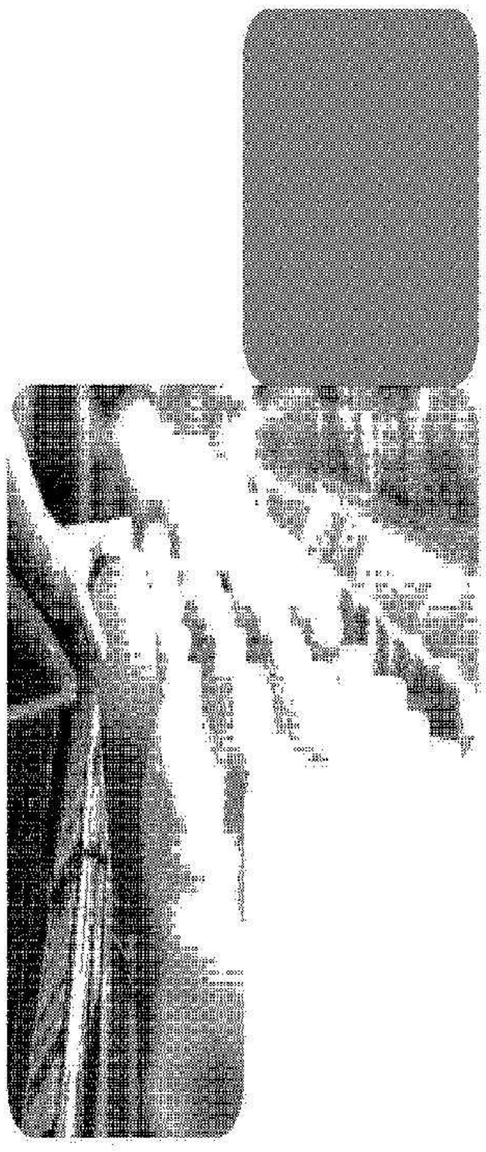
Board oversight of culture

Our success is based on a culture of trust amongst our colleagues, globally. To support and ensure this trust, we continuously monitor and develop further insights into the culture operating within the business. More detail on our review is on page 58.



> As a Board, we are committed to fulfilling our legal obligation to act with integrity, to pursue the Group's success for the benefit of shareholders and to consider the interests of our stakeholders.

Andrew Martin
Chair



Board activity in focus

The following pages give an insight into how we, as a Board, use our meetings as a mechanism for discharging our responsibilities, including how the consideration of stakeholders is embedded into our workings as a Board and the range of matters we considered and discussed throughout the year.

Each Board meeting follows a carefully structured agenda agreed in advance by the Chair, CEO and Group Company Secretary; this ensures that proper oversight of key areas of responsibility are scheduled regularly, and that adequate time is available for the Board to fully consider strategic matters.

The Board and its Committees understand the strategic significance of stakeholders in our business. The Directors take into account the interests of colleagues and the need to foster relationships with other key stakeholders in making decisions. We acknowledge that our decisions might not necessarily result in a positive outcome for all our stakeholders and so the Board has to balance conflicting interests in arriving at its decisions.

While the Board engages directly with stakeholders on some issues, the size and complexity of the Group and our stakeholder groups means that engagement often happens below Board level. However the Board considers information from across the organisation to help it understand how our operations affect our stakeholders' interests and views.

Section 172 statement

In their discussions and decisions during the year, the Board of Directors have acted in the way that they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to stakeholders and the matters set out in sub-sections 172(1)(a)-(f) of the 2006 Act).

Details of how the Board have engaged with colleagues during the year, and how they have had regard to their interests and the need to foster business relationships with other stakeholders including customers and others, is set out on the following pages together with the Board's principal decisions.

Strategy and Performance

The Board clearly understand the responsibility to deliver long-term sustainable success and returns for shareholders, underpinned by the highest standard of corporate governance, conduct and integrity. We collectively review, discuss and annually agree the Group's strategy.

More details on page 57

People and Culture

Our people are truly amazing. To support and ensure our success is based on our culture of trust, we continuously monitor and develop further insights into the culture operating within the business.

More details on page 58

Workforce engagement

Our people are key to Intertek's success and they are always considered as part of the Board's discussions and decision making.

More details on pages 59

Sustainability

Sustainability is central to everything we do at Intertek and as a purpose-led Company, it is anchored in our Purpose, Vision and Values. The Board, as part of its overall stewardship of the Company, oversees the Group's sustainability and corporate responsibility.

More details on page 60

Customer engagement

The desirability of the Company maintaining a reputation for high standards of business conduct, the accuracy and validity of reports and certificates that we provide, maintaining the trust and confidence of our customers, their customers and others impacted by our work, are important factors which contribute to our success.

More details on page 60

Investor and shareholder engagement

The Board is committed to maintaining an active and open dialogue with investors and sees this as an important part of the governance process.

More details on page 61

The Board in Action

Strategy and performance

We, as a Board, clearly understand our responsibility to deliver long-term sustainable success and returns for our shareholders, underpinned by the highest standards of corporate governance, conduct and integrity. We collectively review, discuss and annually agree the Group's strategy.

Strategic planning discussions are supported by our Purpose to bring quality, safety and sustainability to life, and to make the world a better, safer and more sustainable place whilst looking at the long-term structural drivers and the emerging trends shaping the future of the world, to ensure that the business continues to evolve to meet the changing needs of all stakeholders. Our AAA strategy and goals are outlined in Book one, pages 10-11.

Activities of the Board

Every December, the Board reviews, discusses and agrees the Group's strategic plan and objectives. During the year, the Board then monitors and reviews the performance of the business to ensure that the strategic objectives are being met. This is an ongoing process which is reviewed annually by the Board and involves a thorough review of the progress being made on the implementation of the strategy and the five-year business plan. The strategic review involves a 'SWOT' review of the Intertek value proposition, strategy, updates on the competitive environment and regulatory changes.

In addition to regular items, the Board received presentations from the Leadership Team and global leaders across the business on their areas of responsibility and expertise. External speakers also present periodically to provide an overview of global or regional matters.

The changes to the economic environment, the long-term structural drivers and emerging trends shaping the world are discussed, as well as the resulting impact on Intertek, together with the strategic initiatives for the year. This ensures alignment with our Purpose of bringing quality, safety and sustainability to life.

Following the engagement and development of this strategic vision for the future, the internal 'Amazing ATIC Advantage (AAA)' differentiated growth strategy was launched at the Capital Markets Event. Having made strong progress and demonstrating the power of our compelling Total Quality Assurance value proposition to give our clients the ATIC advantage, the AAA strategy continues our good-to-great journey to unlock the significant value growth opportunities ahead.

During the year, the Board also received and discussed the CEO's report at each meeting which focused on:

- the group's overall performance and operations
- progress against our strategic priorities
- the competitive and regulatory environment that Intertek operates in
- engagement with, and the views of, our stakeholders including our investors and our colleagues
- key business operations including matters which are important to the group's reputation, as well as colleague, customer, supplier and community considerations.

During the year, the Board discussed, reviewed and, as appropriate, approved:

- the financial statements at the full and half year including any external guidance. It also discussed the feedback from investor meetings, including those post publication of each set of financial results. At each meeting, the Board reviewed the current financial and trading performance for the period against budget and consensus, and the full year outlook for each division and the group as a whole.
- the going concern and viability statements
- reports, on a monthly basis, outlining share register movement, our share price performance relative to the market and industry, investor relations activities and engagement with shareholders.
- any significant litigation, including our response and the stakeholder and reputational impact of these.
- the business, the market, strategic actions, management team, culture and business plan in respect of proposed acquisitions.

Principal decisions

- The Board endorsed the AAA strategy.
- The Board recommended a final dividend of 74.0p per share making 111.7p for the full year.
- The Board approved the acquisitions of PlayerLync and Controle Analitico.

PLAYERLYNC

CONTROLE ANALÍTICO

The Board in Action

People and Culture

Our people are truly amazing and our success is based on a culture of trust amongst our colleagues globally. To support and ensure this trust, we continuously monitor and develop further insights into the culture operating within the business. In doing so, we review the following throughout the year:

Area	Link to culture
View from the top	Town Halls allow the dissemination of information to employees across the Group and enable local leadership to communicate the right behaviours and cultural expectations, as well as give peer nominated awards for demonstrating our 10X Energies. Town Halls occur monthly at most Intertek locations globally. The 10X growth, coaching, training, people planning and the focus on recognition at all levels ensures that the right values and culture are driven throughout the organisation. The Board reviews voluntary permanent employee turnover and the Intertek ATC Engagement Index and as outlined in Book one, page 28, two of our Beyond Net Zero targets are a voluntary permanent employee turnover rate < 15% (2023: 12.3%, 2022: 14%) and an Intertek ATC Engagement Index of 90 (2023: 87, 2022: 80). During the year, we also launched Champions in collaboration with Gallup. Please read more on page 10.
Globally aligned reward and incentive schemes	We have designed our long-term incentive plans to encourage the right behaviours and values across our global business. In alignment with our Purpose, in 2022, we added an ESG component to the annual incentive scheme, based on the feedback from both shareholders and other stakeholders and in accordance with the Group's broader Purpose of making quality, safety and sustainability a reality. The Remuneration Committee report provides more details on this aspect.
Health, safety and wellbeing	Due to the importance we place on safety within Intertek, we have updates at every Board meeting on Health and Safety statistics across the Group to monitor trends year-on-year and to ensure that the right practices are being followed. We strive for continued progress in reducing incidents and have set a target for Total Recordable Incidents < 0.5 per 200,000 hours worked (2023: 0.51, 2022: 0.44). Our Intertek Global Wellbeing programme, Kindness, was introduced to support the wellbeing of all employees.
Ethics and compliance reports	Updates at every Board meeting on all hotline and whistleblowing reports and analysis by issue type. This enables the Board to determine if there are any trends which need further analysis or investigation. For more information see pages 41 and 42.
Training	As a provider of quality, safety and sustainability assurance services, Intertek relies on a skilled workforce. The Board receives an update annually from the EVP HR on programmes available to employees. Employees and contractors are also asked to complete annual training on the Intertek Code of Ethics to demonstrate their understanding of, and commitment to, the highest standards of business conduct and ensure that we do business the right way. For more information see page 41. As outlined in Book one, page 28, one of our Beyond Net Zero targets is having 100% compliance training completion for eligible employees (2023: 97.6%, 2022: 96.8%).
Key claims reports	Updates at every Board meeting on material legal claims and a review of the significant legal claims by the Audit Committee to monitor the trends and types of claims.
Internal audit reports	Updates at every Audit Committee meeting on internal audit reports, the areas of non-compliance with the Financial Core Mandatory Controls and actions taken to address the non-compliance together with trend analysis to underscore that we are 'Doing Business the Right Way'.
Acquisitions	When the Board considers acquisitions, one of the factors we take into account is the culture of the business being acquired and how it will fit within the Intertek Group. Read more on page 57.

The Board in Action

Workforce engagement



After extensive discussions when the Code was introduced, we decided not to choose one of the methods suggested in Provision 5 of the Code due to the global nature and size of the business, together with the complexity and diverse make-up of the various sectors and regions in which we operate. Instead, we utilise a multi-faceted approach to workforce engagement to make certain that what is in place ensures that we, as a Board, receive 360° multi-source feedback to assist us in evaluating the different views and perspectives from our employees across the Group. We keep our engagement mechanisms under review and continue to believe that this methodology remains effective as it enables us, the Board, to fully understand the views of the workforce when taking such considerations into account as part of our decision-making process. This is vital as our people are core to our business and make it happen 24/7.

The way in which our people combine passion and innovation with customer commitment to create a single unbeatable asset sets us apart and is a vital element of our entrepreneurial, customer-centric culture. The variable remuneration structure and policy for the Executive Directors cascades down to the wider workforce and is communicated throughout the Group, ensuring engagement across Intertek to ensure alignment with our Purpose, to drive the right behaviours and to deliver our AAA strategy. We are focused on ensuring that our strategy and culture give our people the right platform to not only grow and develop their careers but to support our Purpose in making the world a better place by bringing quality, safety and sustainability to life for an ever better world.

The world needs Intertek more than ever, with the unrivalled expertise of our people, our focus on delivering risk-based Total Quality Assurance solutions, and our proven track record of innovating and anticipating the growing needs of our clients as the world around them grows more complex.

During the pandemic, Microsoft Teams was instrumental in providing instant communication between all business lines and functions, and we have continued to utilise technology as we returned to in person meetings. This has enabled the Board to virtually meet and visit far more employees and sites than previously possible.

Activities of the Board

During the year the Board received updates on and discussed:

Feedback from town halls conducted across the world. Question and answer sessions are held at town halls to provide two-way communication and a method of further engagement. André Lacroix led 27 Town Halls across the world during 2023.

Our colleagues across the world continue to upload stories about how they or their team are bringing our Purpose to life through their work. These stories are shared with the Board as part of Sustainability Moments at the start of each Board and Committee meeting.

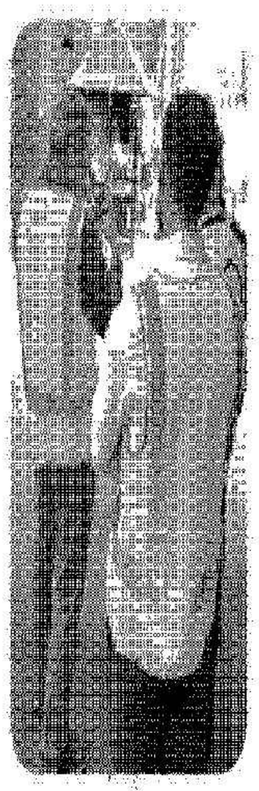
The Board met with colleagues within the business during the year, 22 leaders and subject matter experts across the Group presented on their areas of expertise at Board meetings. They have also met many other colleagues visiting sites during the year and on the visit to Austin, USA in October 2023.

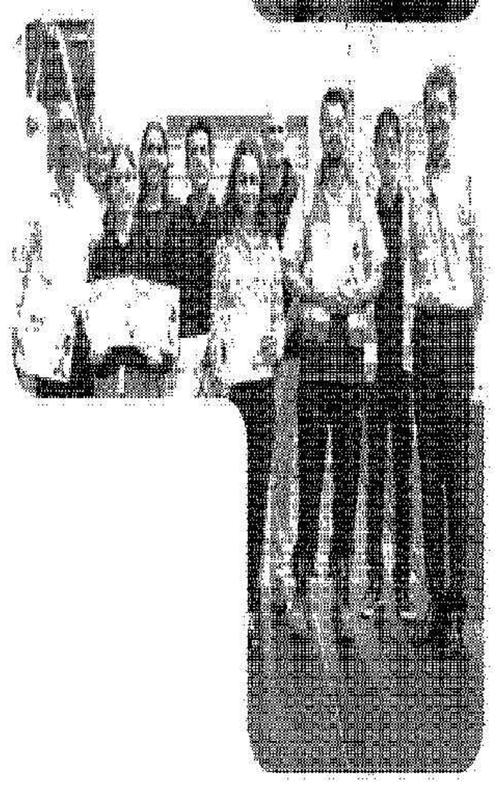
Technology has been used to facilitate the attendance of many from overseas without the need for travel to the physical Board meeting. The Board was particularly interested to engage with and hear feedback from our employees across the different locations.

The newest members of the Board undertook additional visits to our laboratories both in person and via video links, engaging with our employees across the world. More details on the Non-Executive Directors induction can be found on page 64.

26

countries visited by Directors during 2023





The Board in Action

Sustainability



Sustainability is central to everything we do at Intertek and, as a purpose-led Company, it is anchored in our Purpose, Vision and Values. The Board, as part of its overall stewardship of the Company, oversees the Group's sustainability and corporate responsibility, together with any material environmental and social issues. The Board recognises the importance of sustainability to all our stakeholders, together with the increasing risks associated with climate change and ensures that at every Board and Committee meeting, the first item on every agenda is a 'Sustainability Moment' to demonstrate its importance to the future long-term sustainable success of Intertek. While the Board as a whole has responsibility for overseeing Intertek's approach to sustainability, governance and oversight of the impact of Intertek's operations on the community and environment is delivered by two workstreams, the Net Zero Steering Committee and the Beyond Net Zero Steering Committee. Both steering committees oversee and monitor our policies, practices and progress against our sustainability commitments and targets. Further information on the composition of these steering committees, together with their remit, is outlined in Book one on page 50.

The Board in Action

Customer engagement

Customer engagement is important for customer growth as it develops and strengthens our relationships enabling Intertek to understand the services they need and what they expect from us. To ensure that we continue to innovate and anticipate the growing needs of our customers, constantly evolving and improving our customer proposition to meet their changing needs and the changing world around us.

Recent examples of innovation by engaging with our customers can be found on pages 18-25 and in Book one, Strategic Report on pages 23-24.

We offer our customers the Intertek Science-based Total Quality Assurance advantage to strengthen their businesses and supporting them to thrive in an increasingly complex world.

Integral to this is 'Doing Business the Right Way' and our internal risk, control, compliance and quality programme. This means living our Values, having the highest standards of ethics and integrity in how we conduct ourselves every day everywhere and in every situation.

The programme includes:

- processes, tools and training to ensure that our people work in a safe and inclusive environment;
- the services we provide and the contracts we enter into are delivered with integrity and in line with our commitment to Total Quality;
- a commitment from every colleague to the highest standards of professional conduct; and
- information about managing our risks and doing the right thing for the longer term to deliver our sustainable growth.

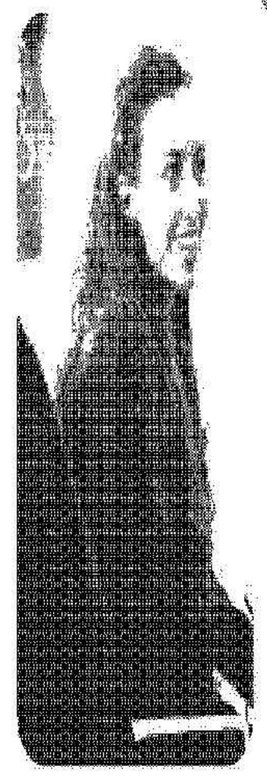
Activities of the Board

During the year the Board received regular reports with detailed deep dives on major customers.

The Board visited customers on the overseas Board visit to Austin.

The Board also reviews and endorses the Group Marketing and Group Innovation Strategies.

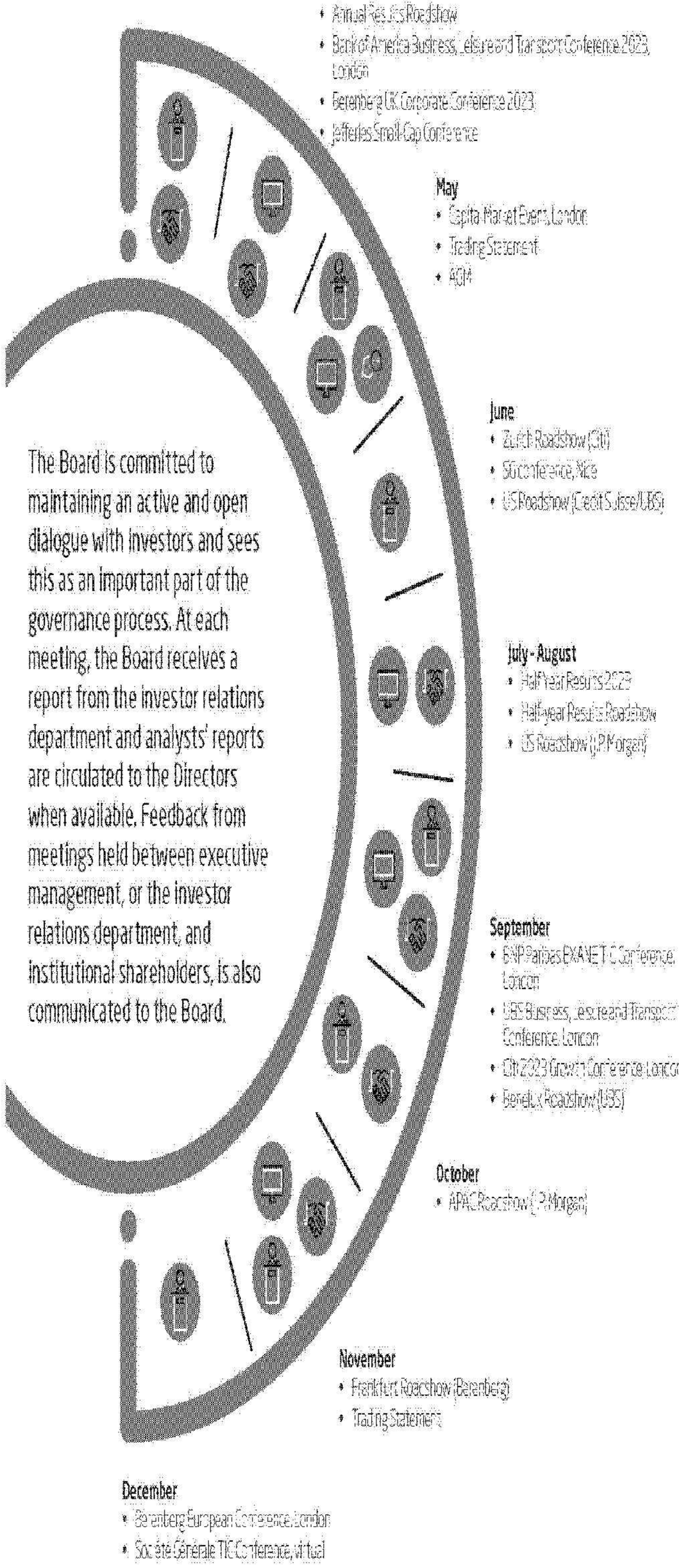






The Board in Action

Investor and shareholder engagement



The Board is committed to maintaining an active and open dialogue with investors and sees this as an important part of the governance process. At each meeting, the Board receives a report from the investor relations department and analysts' reports are circulated to the Directors when available. Feedback from meetings held between executive management, or the investor relations department, and institutional shareholders, is also communicated to the Board.

Investor relations programme

Aimed at helping existing and potential investors understand the Group's business model, strategy, financial performance and outlook. The programme is wide-ranging and includes events and roadshows throughout the year to update investors and sell-side analysts on the developments of the Group.

Board shareholder engagement

The Chair, following any engagement with shareholders, ensures that the Board as a whole has a clear understanding of the views of Intertek's largest shareholders, representing more than 55% of the share register, are invited annually to meet with the Chair to share their views and discuss any corporate governance matters. During April and May 2023, the Chair held nine meetings with shareholders. There was an increased focus on the opportunities for Intertek ahead of the Capital Market Event, some questions relating to corporate governance and succession planning. The feedback received was positive, and shareholders continue to be very supportive of Intertek's strategy, the management and the Board. The feedback was presented and discussed with the Board at the May Board meeting.

Resources

A wealth of information is available to investors in our Annual Report & Accounts, half-year announcements and trading updates and Regulatory News Service announcements. These materials are available on our website and are supplemented by videos, webcasts and presentations including material from the Capital Markets Event.

Conferences

Executive Directors and the Investor Relations team attend industry conferences throughout the year, providing the opportunity to meet a large number of investors.

Roadshows

Following the full-year and half-year results announcements, the Executive Directors and Investor Relations team held meetings with the principal shareholders.

Feedback Forum

The Executive Directors and Investor Relations team receive regular feedback from sell-side analysts and investors during the year both directly and through the Group's corporate advisers. The Group Company Secretary also receives feedback on governance matters directly from investors and shareholder bodies.

Annual General Meeting ('AGM')

The Board welcomes the opportunity to meet with both private and institutional investors at the AGM.

The 2024 AGM is currently scheduled to be held on Friday, 24 May 2024 at 9.00 a.m. in the Marlborough Theatre, No.11 Cavendish Square, London, W1G 0AN. The AGM provides the opportunity for all shareholders to ask questions of the full Board on the matters put to the meeting, including the Annual Report & Accounts.

All Board members attend the AGM and, in particular, the Chairs of the Audit, Nomination and Remuneration Committees are available to answer questions. The Board welcomes the opportunity to meet with both private and institutional investors at the AGM. The Company proposes a resolution on each separate issue and does not combine resolutions inappropriately. The Notice of the AGM is sent to shareholders by e-communications or by post and is also available at intertek.com.

Composition, succession and evaluation

Composition and succession

The Board is committed to ensuring that it has the right balance of skills, experience, knowledge and diversity, to lead Intertek and deliver our AAA strategy to make the world a better and safer place. More information on the appointment process to ensure that we have the right individuals who can inspire and provide succession leadership is outlined in the Nomination Committee report on pages 66-69.

Board Evaluation

The effectiveness of the Board and its Committees is rigorously reviewed annually and an independent externally facilitated Board review is conducted every three years. The internal questionnaires are reviewed and updated annually to ensure that the right questions are asked and take into account changes in guidance and regulations.

As planned, and recommended by the Code, the 2021 external evaluation process was led by the Chair, supported by the Group Company Secretary and facilitated by an independent third party, Equity Culture. Equity Culture has no other connection to the Company and was appointed after a review of independent advisers in the field of formal Board evaluations.

The externally facilitated Board evaluation process, which considered the Board composition, diversity and how effectively members worked together to achieve objectives, entailed:

- the review and agreement of a questionnaire to be used at meetings with each Board member;
- one-to-one meetings with each Board member and the external evaluator;
- preparation of a report by the external evaluator;
- discussions on the Board evaluation outcomes and recommendations with the Chairman, CEO;
- discussion of the results of the evaluation with the Board as a whole; and
- the Board identifying and agreeing areas for improvement – the strategy and strategic agenda having already been agreed at the Board meeting in December 2021.

The key findings of the 2021 external evaluation report were very positive as outlined below

During recent years, a strong culture of high performance and high integrity with a clear sense of purpose has developed on the Board and throughout the Company. Great care has been taken when adding new Board members, to ensure the right fit, culturally, and in terms of beliefs and outlook to build on the existing excellent chemistry and mutual respect on the Board. Lynda Clizbe and Tamara Ingram, both of whom were on-boarded during 2021, were very positive about the comprehensive induction process, noting the one-to-one meetings held with the CEO, the Board members and the Leadership Team, followed by an around the world tour of Intertek which included two-hour presentations from all the main global leaders, virtual site tours and questions enabling the new Board members to experience the dynamics of the business.

The Board is very experienced, and this collective experience was an important factor in ensuring that the Board continued to be as effective throughout the pandemic as it had been before. This enabled the Board to continue to effectively discharge all of its responsibilities despite only having online meetings between March 2020 and up to December 2021.

The technology employed to hold online meetings is felt to have worked well and, in particular, the online live tours of overseas sites enabled even more sites to be visited than normal. These tours were felt to be so valuable that, although they are not a substitute for in-person visits, they will continue to be used more extensively in future, enabling more sites to be visited.

The mechanics surrounding the Board and Committee meetings works extremely well with well-structured agendas. The clarity of the papers presented enables a complex business to be more easily understood and the papers are of a very high and professional quality. Due to online meetings taking place during the pandemic there has been a little more emphasis on presentations. As more face to face meetings now take place, there will be a return to a more discursive emphasis.

The Board recognises the importance of the work to create the Board Promise to embody the role and purpose of all Board members in promoting Intertek's Purpose of bringing quality, safety and sustainability to life and which informs the Board's approach to its duties to all stakeholders. Around the Board table there is great pride in what Intertek does across the world for various stakeholders and in the work that our incredible colleagues perform daily to make the world a safer place with precision, pace and passion.

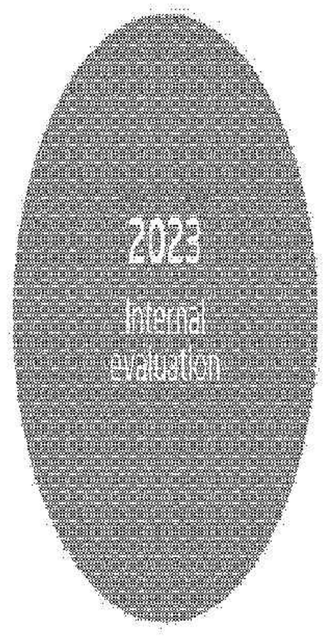
The People Agenda, including talent development, retention, succession and employee engagement features high on the agenda, even more so given the importance of the highly qualified employee base to the ongoing success of Intertek. Succession and talent planning is a very thorough and thoughtful process with twice-yearly discussions at the Board.

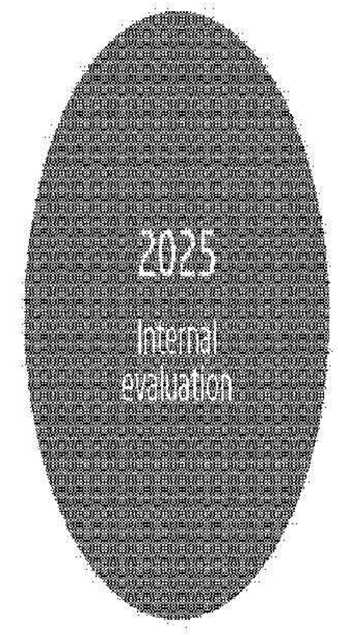
André continues to bring a real sense of clarity and alignment to Intertek's strategy, and during the year the Board's input and involvement is sought on the areas to be incorporated into the annual strategic review, with the most recent detailed discussion by the Board held last December. Against the backdrop of extensive opportunity for the industry, the discussions included a longer-term horizon, looking forward.

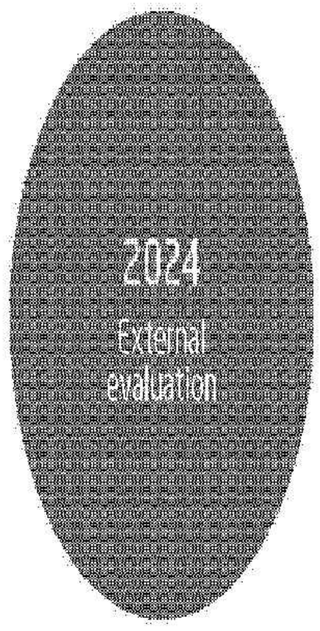
Sustainability is very clearly part of Intertek's DNA and the Board has great confidence in the Company's environmental and social credentials with a sustainability moment now part of every meeting agenda. The Board will continue to consider whether a Board ESG Committee is required, but at present it is considered that the ESG agenda is so important that it should be the responsibility of all of the Board. Governance overall is seen to be sound.

There is a real sense of community of purpose on the Board with great support and respect for the work André and the management team do in addressing challenges as they arise, most recently with the pandemic, and ensuring that the health and safety of our employees are always the number one priority.

Board, Committee and Directors' evaluation







The 2023 Board internal evaluation process was led by Andrew Martin, with the support of the Group Company Secretary, and entailed

- the completion of detailed questionnaires by each Board member;
- discussions on the outcomes and recommendations with the Chair and each Board member; and
- following discussion of the results of the evaluation, the Board as a whole, identifying and agreeing areas for improvement.

For each Committee of the Board a similar process was undertaken. The Committee evaluations looked at ways in which they could improve their overall effectiveness, their performance and areas of improvement during the year.

The internal review of the 2023 Board evaluation showed strong scores in all four categories that were evaluated. The Board members agreed that the Board has the right culture and works well together. Emerging trends are a regular topic of board discussion, and the Management are good at bringing new challenges and opportunities to the table.

The Board visited three additional sessions with global and regional business line leaders. This gave valuable and appreciated opportunity to better understand the business, the implementation of the new strategy and to have a good dialogue with colleagues.

The Board spends quality time on succession planning at Board and Senior Executive levels and will continue to do so.

The outcome from these evaluations confirmed that the Board and its Committees were performing well and were appropriately constituted. The evaluation for 2024 will be externally facilitated.

Chair and Director evaluation

The Non-Executive Directors, led by the Senior Independent Non-Executive Director, conducted a performance review of Andrew Martin, who was the Chair of the Board during 2023. They considered his leadership, performance and overall contribution to be of a high standard during the year.

Andrew Martin, the Chair, met with each Director to discuss their individual contributions and performance, together with any training and development needs. Following these reviews, the Board remains satisfied that, in line with the Code, all Directors are able to allocate sufficient time to the Company to enable them to discharge their responsibilities as Directors effectively, and that any current external appointments do not detract from the extent or quality of the time which any Director is able to devote to the Company.

The Board recommends that shareholders should be supportive of their election or re-election to the Board at the 2024 AGM.



Board induction

There is a full, formal and extensive induction programme which is tailored to ensure that Directors joining the Board are provided with the knowledge and materials to add value from an early stage. This is managed by the Chair and the Group Company Secretary.

During the year Colin Day, Kawal Preet and Apurvi Sheth received details of Board procedures, Directors' responsibilities and various governance-related issues and strategic priorities within the Group. For the Non-Executive Directors, the induction programme also includes a wealth of background information on the Company and a series of meetings with other members of the Board, senior members of management and external advisers. Visits to our laboratories and sites are also arranged.

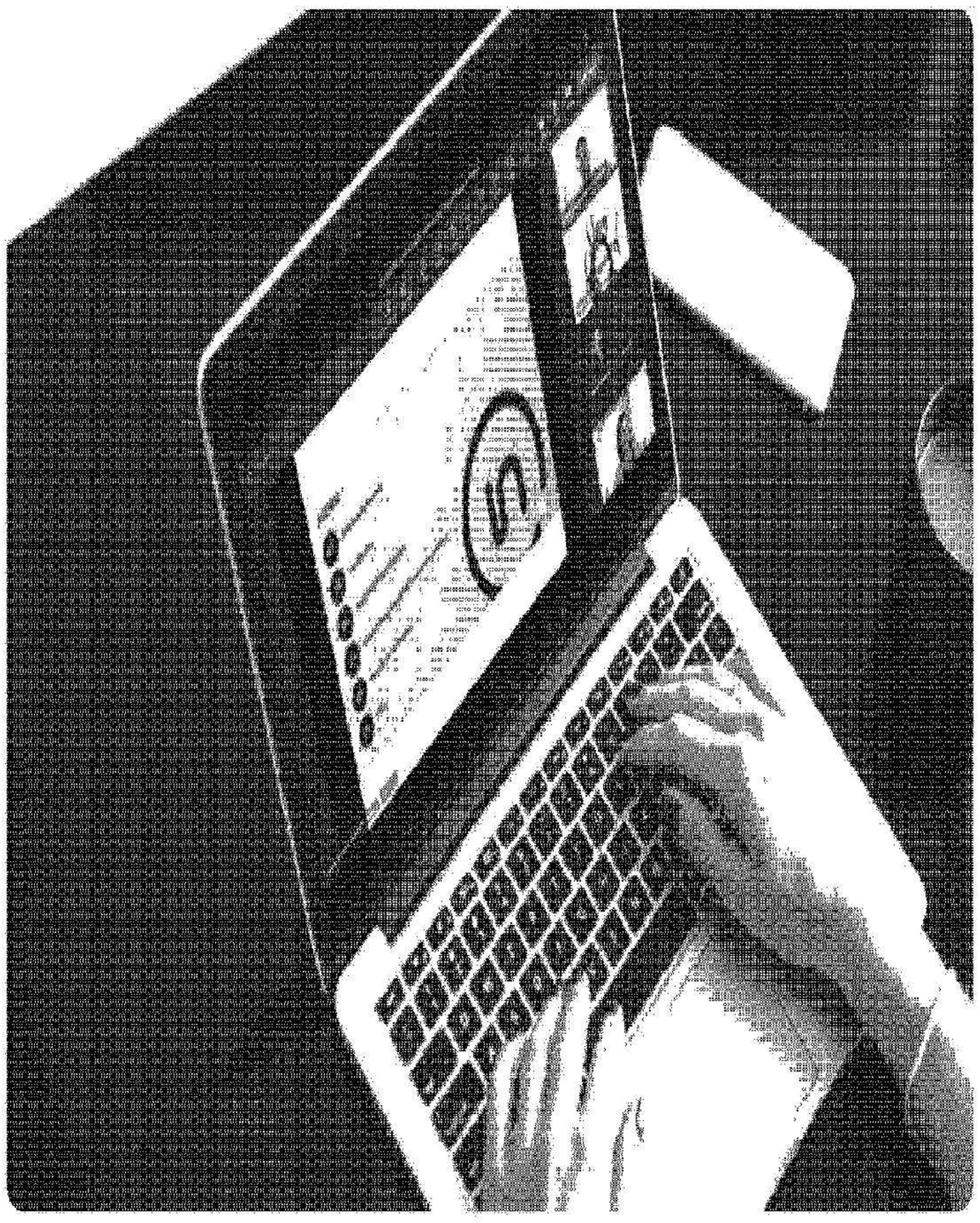
Following the success of visiting sites virtually over the last three years, a comprehensive programme of virtual visits to our operations was put in place which is to be aligned with visits in person to laboratories. This enables our new Directors to meet senior management across the Group and our colleagues working in labs.

The programme aims to provide great insight into the business, operations and people. This process will continue to be kept under review.

Kawal's induction included the following site visits:
Virtual visits to China, Turkey, UAE, Germany and the US, with a physical visit to Milton Keynes in the UK.



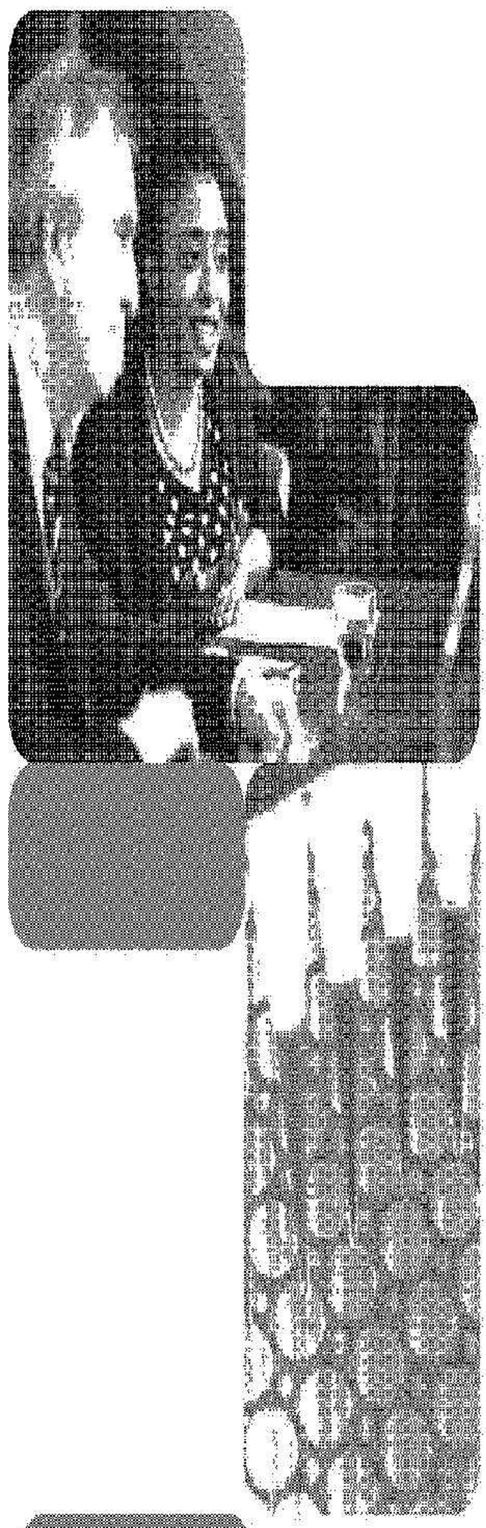
Apurvi's induction has so far included the following site visits:
Virtual visits to China, Turkey, UAE and Italy. Apurvi will continue her induction during 2024.



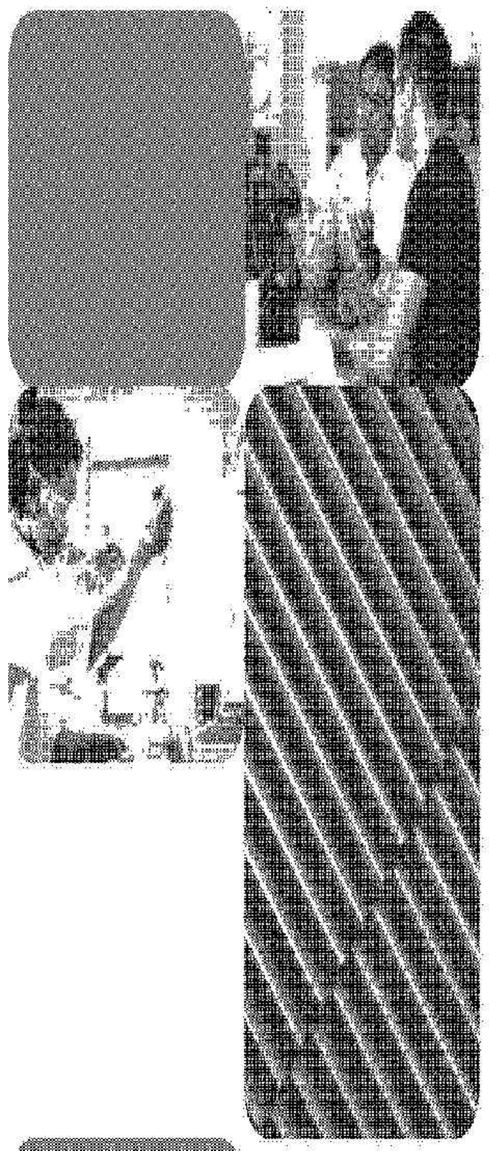
Learning and development

Ongoing and continual development is crucial to our Directors remaining highly engaged, effective and well informed. All Directors are kept up-to-date with information about Intertek's business and there is an ongoing programme of information dissemination throughout the year. It is important that the Directors have an appreciation of the business, both in the UK and overseas. During the year, there were presentations from the Group Executive Committee to the Board and meetings have been held on regional strategy to increase the understanding of operations, opportunities and risks.

The Company also encourages Directors to attend briefings and seminars offered by professional and commercial bodies in order to keep abreast of current legal and regulatory requirements, especially within their specialist fields such as audit or remuneration.



Audit, risk and internal control



Audit

There are formal policies and procedures in place designed to ensure the independence and effectiveness of the internal and external audit functions. Group Internal Audit is a single independent internal audit function, reporting to the Audit Committee. Further detail can be found in the section headed Internal Audit on page 75.

The Board has delegated a number of responsibilities to the Audit Committee, including monitoring and reviewing financial reporting, the effectiveness of internal controls and the risk management framework, whistleblowing, the internal audit process and the external auditor's process. The Audit Committee reports to the Board on its activities, and its report for 2023, confirming how it has discharged its duties, can be found on pages 70-77.

Internal control and risk management

Intertek has implemented an end-to-end integrated approach to risk, control and compliance which embeds risk management throughout our business, allows us to dynamically adapt our controls, policies and assurance activities as our risk environment changes, and creates responsibility and oversight of our risk identification and risk mitigation actions to ensure they are effective, relevant and robust.

Our integrated risk management framework

Risk management is embedded throughout our organisation using a framework of divisional, regional and functional risk committees. These committees meet, at least, quarterly to identify, monitor and assess the risks within their area of responsibility using tools including risk mitigation action plans. It is the responsibility of each committee to assess whether risk environment is changing, whether it has the right mitigation action plans and whether new or different plans are required in response to new or changing risks.

The risk committees report to our Group Risk Committee which in turn provides a report on risk and mitigation actions at each meeting of the Board.

Our integrated approach to identifying and mitigating risks

At Intertek, we view our risk environment as consisting of emerging risks (risks that are potential or future-looking) and systemic risks (risks which are concrete and actually present or inherent in our operations). Emerging risks are assessed by perceived likelihood and impact and addressed using mitigation action plans on a "three lines of defence" model. System risks are addressed using our internal controls, policies and procedures and also uses the three lines of defence model, as appropriate.

Our risk identification and mitigation approach is integrated and dynamic as our risk committees continually review their emerging risks and, to the extent those risks start to become systemic (or 'real' rather than 'potential' risks), identify new controls, policies or procedures so that we can put new systemic mitigations in place.

Our integrated approach to risk assurance

We have an integrated approach to getting assurance that our risks are being appropriately and effectively identified and mitigated. We use an assurance map, which takes each of our emerging and systemic risks and maps an assurance framework using the three lines of defence, into them by identifying the roles or functions which are responsible for the management, control and oversight of those risks.

Objective assurance is provided in the third line, by our Internal Audit function (which audits our financial controls and risks), by our Compliance function (which audits our non-financial, operational controls and risks), and by our CyberSecurity team (which audits our IT controls and risks).

Our integrated approach to risk governance and oversight

The Board ultimately reviews the Group's risks, controls and compliance and mitigation actions. The Audit Committee is responsible for reviewing the adequacy and effectiveness of the financial controls. If this governance and oversight identifies new risks or the need for new controls, policies or procedures, these changes are made and fed back to the framework of risk committees so that governance and oversight results in any dynamic change to our risk identification and mitigation action plans.

At each Board meeting during 2023, the Group General Counsel presented an integrated risk, control and compliance report including a review of:

- the Group's emerging risks, the status of the quarterly emerging risk mitigation action plans and the new quarterly emerging risk mitigation plans;
- the Group's specific systemic risks including quarterly hotline and whistleblowing reports, key claims and authorised unlimited liability contracts; and
- the Group's systemic risk environment, the status of the quarterly systemic risk mitigation action plans and the new quarterly systemic risk mitigation plans.

Nomination Committee report

Dear shareholder,

On behalf of the Nomination Committee (Committee), I am pleased, as Chair, to present the Committee's report for the year ended 31 December 2023 which outlines the work of the Committee during the year.

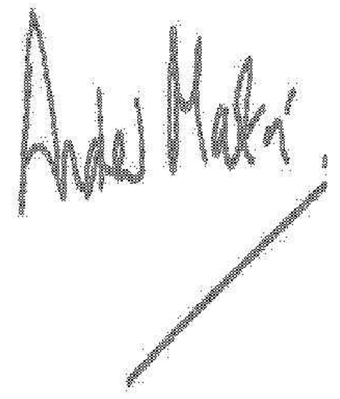
It is vital that we have the right skills and expertise around the Board table to help support the business to seize the opportunities in our industry as our clients increase their focus on Risk-based Quality Assurance to operate with higher standards on quality, safety and sustainability in each part of their value chain.

During the year, the Committee prioritised Executive and Non-Executive Director succession planning. The need to keep the Board refreshed but at the same time maintain a knowledgeable and experienced team of Non-Executive Directors is crucial and forms a large part of the Committee's work. The Committee continues to demonstrate its ability to successfully identify the key characteristics required on the Board.

Our discussions built on work done in 2022, having built up a total skills overview and identified any gaps. This has facilitated our discussions on likely future needs whilst also taking the outcomes from the Board evaluation into account.

The appointments of Kawal Preet and Apurv Sheth over the last 12 months have been exciting steps in the Intertek Board evolution and will ensure that Intertek is best placed to take advantage of the great opportunities which come with having in place a diverse range of individuals with the right skills around the Board table representing the diverse nature of the Intertek Group itself.

Our colleagues at Board and management level have illustrated the defining characteristics we strive for in our Intertek leaders when carrying out succession planning, which in turn exemplifies the successful mechanics of the Committee.



Andrew Martin
Chair of the Nomination Committee



"This year we recruited a new Non-Executive Director, who was carefully selected to complement the existing skills on the Board which gives us the right diversity of viewpoints, skills and experience to support Intertek's strategic journey."

Andrew Martin
Chair of the Nomination Committee

Membership and meeting attendance

During the year, we held five formal meetings. Attendance of members at formal meetings is shown in the table below. The Group Company Secretary attends all formal meetings of the Committee and the Committee invites the CEO and the EVP, Human Resources to attend meetings when the subject matter deems their presence appropriate.

Committee meeting attendance during the year to 31 December 2023

Committee members[1]	Scheduled meetings eligible to attend	Meetings attended
Andrew Martin (Chair)	5	5
Graham Allan	5	5
Gurnek Bains	5	5
Tamara Ingram	5	5[2]

1. Committee meeting attendance during the year to 31 December 2023.
2. Tamara Ingram gave apologies for one meeting due to a conflict and one meeting due to other business commitments.

Role and key responsibilities

- Review the structure, size and composition of the Board and its Committees.
- Identify, review and nominate a diverse pipeline of candidates to fill Board vacancies[1].
- Evaluate the balance of skills, independence, knowledge, experience and diversity on the Board and its Committees.
- Review the results of the performance evaluation process that relates to the composition of the Board and its Committees.
- Review the time commitment required from Non-Executive Directors.
- Review succession plans regularly.

1. Neither the Chair nor the CEO participates in the recruitment of their own successor.

The full Terms of Reference of the Committee, which are reviewed annually, can be found on our website: intertek.com/about/compliance-governance/

Committee activity in focus

Board and Committee changes

In 2022, as part of our succession planning, the Committee initiated searches for new Non-Executive Directors. In addition to the specific skills, knowledge and experience deemed necessary, the role specification contained criteria such as competency and personal qualities that would be required for the position. The Committee also paid close attention to ensure that the candidates selected exhibited the right behaviours to fit the culture, values and ethics of the Group and would also be able to allocate sufficient time to the Company to discharge their responsibilities.

The Committee engaged Spencer Stuart, an external search agency with no other connection to the Company or its individual Directors, to assist with the selection process. For the searches, an initial list of potential candidates was produced and shortlisted. The Committee members and the Chair met separately with the shortlisted candidates, following which they agreed to recommend to the Board the appointment of Kawal Preet, as previously reported, who was appointed to the Board on 31 December 2022. She is a highly experienced executive who is currently President Asia Pacific, Middle East and Africa for FedEx Express and with her extensive knowledge of the Asia, Middle East and African markets provides a strong addition to the current skills on the Board.

In addition, Apurvi Sheth joined the Board as Non-Executive Director on 1 September 2023. Apurvi has extensive executive experience spanning over three decades across numerous well-known international consumer brands in the food and beverage industry. Having spent the majority of her career in Asia and India, Apurvi brings her deep consumer experience across diverse markets including China, Japan, Australia, SEA and India to the Intertek Board.

The Board, upon the recommendation of the Committee, approved the internal appointment of Colm Deasy as Chief Financial Officer. Colm joined the Board as an Executive Director on 17 March 2023. Having previously held the role of Group Treasurer, Head of Tax, he moved into the role of Regional Managing Director in 2019 for Asia Pacific before his promotion as President Global Transportation Technologies, Building & Construction and People Assurance. Colm brings extensive knowledge and understanding of the complexities of the Group to the role. Prior to joining Intertek in 2016, Colm worked in banking and insurance in EMEA and held senior roles in finance and general management.

Talent mapping and succession planning

To ensure that the Board comprises a wide range of skills, experience and attributes, the Committee discusses and reviews extensively the experience, skills and behaviours required of future Directors, including the qualities of the individual required to ensure the right fit with the culture and style of Intertek.

In identifying suitable candidates to recommend for appointment to the Board, the Committee considers all candidates on merit, against objective criteria, and with due regard for the benefits of diversity on the Board to achieve the most effective Board possible.

During the year, we continued to monitor the composition of the Board and its principal Committees. Our discussions consider different time horizons within our succession planning, including contingency planning for sudden and unforeseen departures, the orderly replacement of current Board members and senior management, and a longer-term view, looking at the relationship between the delivery of the Group's strategy and objectives and the skills needed on the Board now and in the future.

Gill Rider will retire from her role on the Board at the conclusion of the AGM on the 24 May 2024, after having served for nearly nine years from the date of her appointment. During her time on our Board, Gill has been a diligent and valued member of the Board, member of the Audit Committee and the Chair of the Remuneration Committee and we thank her for her enthusiasm, dedicated service and valuable contribution.

Subsequently, with effect from 24 May 2024, Graham Allan will take over the role of Chair of the Remuneration Committee, having been a member since 2017. Kawal Preet will be appointed a member of the Remuneration Committee and Apurvi Sheth will join the Audit Committee with effect from the same date.

Board effectiveness and training

The process and findings of the external evaluation of the Board and the evaluations of each Committee and Director are outlined on pages 62-63. An evaluation can determine whether there are any gaps in the skills and composition of the Board. Following the last evaluation, it was concluded that the Board, each Committee and each Director continue to perform effectively and contribute to the long-term sustainable success of Intertek. The outcomes and the actions taken from the evaluations undertaken in 2022, when it was last externally facilitated, and 2023 are outlined on pages 62-63 and the feedback from the Board evaluations considered when determining the key skills required for new Directors on the Board for the future.

As part of the annual Board evaluation, the Committee's performance was also evaluated by all Committee members and it was shown that the Committee continues to be able and effective in discharging its duties in accordance with its Terms of Reference and the requirements of the Code.

Independence, time commitments and re-appointments

Based on its assessment for 2023, the Committee is satisfied that, throughout the year, all non-executive directors remained independent in character and judgement in line with Provision 10 of the Code. On appointment, the Board assessed and agreed that Andrew Martin was independent in accordance with the provisions of the Code.

The Board recognises the importance of all Non-Executive Directors having the necessary time to commit to the business of Intertek and, upon appointment, their letters of appointment stipulate the expected time commitment whilst acknowledging that this may vary depending upon the demands of the business and other events. All Directors make themselves freely available as required, even at short notice, in order to meet the needs of the business.

Directors seek approval from the Board before accepting any additional external appointments. When assessing additional directorships, the Board considers the number and nature of external directorships already held by the individual and the expected time commitment for those roles. During 2023, approval was given to Jez Maiden and Graham Allan for new external appointments. Further details of any conflicts of interest can be found on page 55.

Chair and Non-Executive Director appointment process

Skills and composition review

The Committee reviews the structure and composition of the Board in turn considering the balance of skills, experience, industry and geographical representation and knowledge, diversity, independence and the contribution and tenure of the current Board. When considering these factors, the Committee is mindful of the attributes that would be desirable for all Committee members.

Creating the brief

The Committee following the skills and composition review considers a brief for the role and the required capabilities and attributes the successful individual should bring. This brief is then shared with the search consultant who will utilise the brief to compile a list of suitable candidates.

Longlist and shortlist review

The appointed search consultant presents an initial longlist of candidates. The Committee reviews and discusses the profiles against the brief to determine suitability.

Due diligence

Once the candidates are shortlisted, formal interviews are held and the short-listed candidates undergo due diligence. The final candidates are invited to meet with the Committee members and Directors.

Recommendation

Once a preferred candidate is chosen, the Committee makes a recommendation to the Board to appoint the individual.

Board and Group Executive Committee

	Number of Board members As at 31 December		Percentage of the Board		Number of senior positions on the Board, CEO, CFO, SID and Chair		Number in Group Executive Committee As at 31 October		Percentage of Group Executive Committee	
Diversity	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Male	**7**	7	**58%**	54%	**4**	4	**13**	19	**72%**	90%
Female	**5**	4	**42%**	36%	**-**	-	**5**	2	**28%**	10%
Ethnicity										
White British or other White	**9**	9	**75%**	82%	**4**	4	**12**	14	**67%**	67%
Mixed/Multiple Ethnic Groups	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Asian/Asian British	**3**	2	**25%**	18%	**-**	-	**5**	6	**28%**	29%
Black/African/Caribbean/ Black British	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Other ethnic group, including Arab	**-**	-	**-**	-	**-**	-	**1**	1	**5%**	4%

Prior to joining the Board, Apurvi Sheth disclosed her current commitments and the time commitment involved and the Board was satisfied that she could provide sufficient time to discharge her duties as a Director of Intertek. In addition to schedule Board meetings, Kawal Preet and Apurvi Sheth have spent additional time during 2023 for their induction into the business, details can be found on page 64.

Apurvi Sheth is standing for initial election by shareholders at the AGM, with all other Directors standing for re-election at the AGM in May 2024 with the support of the Board (with the exception of Gill Rider who is stepping down from the Board at the conclusion of the AGM), in recommending directors for election and re-election at the AGM, the Committee has reviewed the performance of each non-executive director and their ability to continue meeting the time commitments required, taking into consideration individual capabilities, skills and experiences and any potential conflicts of interest that have been disclosed.

Biographies for all the Directors are available on pages 50-52

Diversity, equity and inclusion

We believe that diversity at Board level sets the tone for diversity throughout the business. We promote diversity in the broadest sense, not just gender or ethnicity but also culture, skills, background, regional and industry experience and other qualities to truly reflect the diverse nature of our business. The Nomination Committee monitors our talent pipeline to ensure we have a diverse pool of talent being developed at all levels. Maintaining a diverse workforce is as important as diverse recruitment and we continue to assess and promote this.

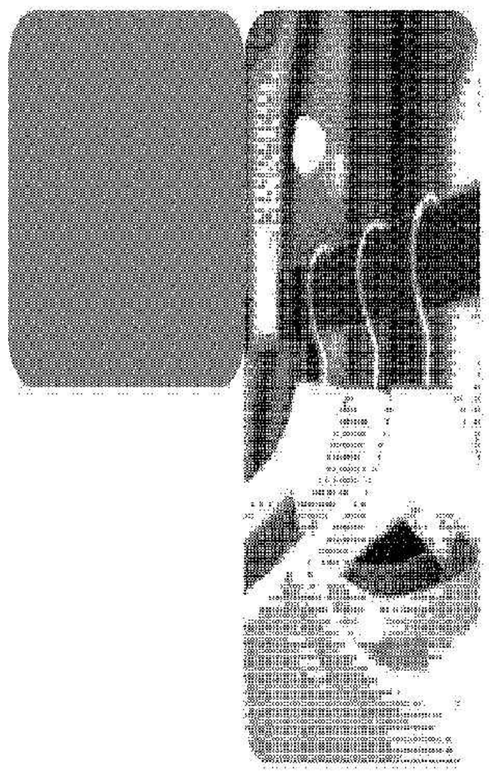
Intertek's Inclusion & Diversity policy eliminates discrimination to ensure that employees are treated fairly and feel respected and included in the workplace, which is vital as our people are core to the delivery of the best service to customers and driving the strategy of Intertek.

Read more on pages 14-17

Our policy on Board gender diversity, which is available on our website and applicable to the Board and its Committees, strongly supports the principle of diversity and continues to be mindful of the recommendations of the FTSE Women Leaders and Parker Review.

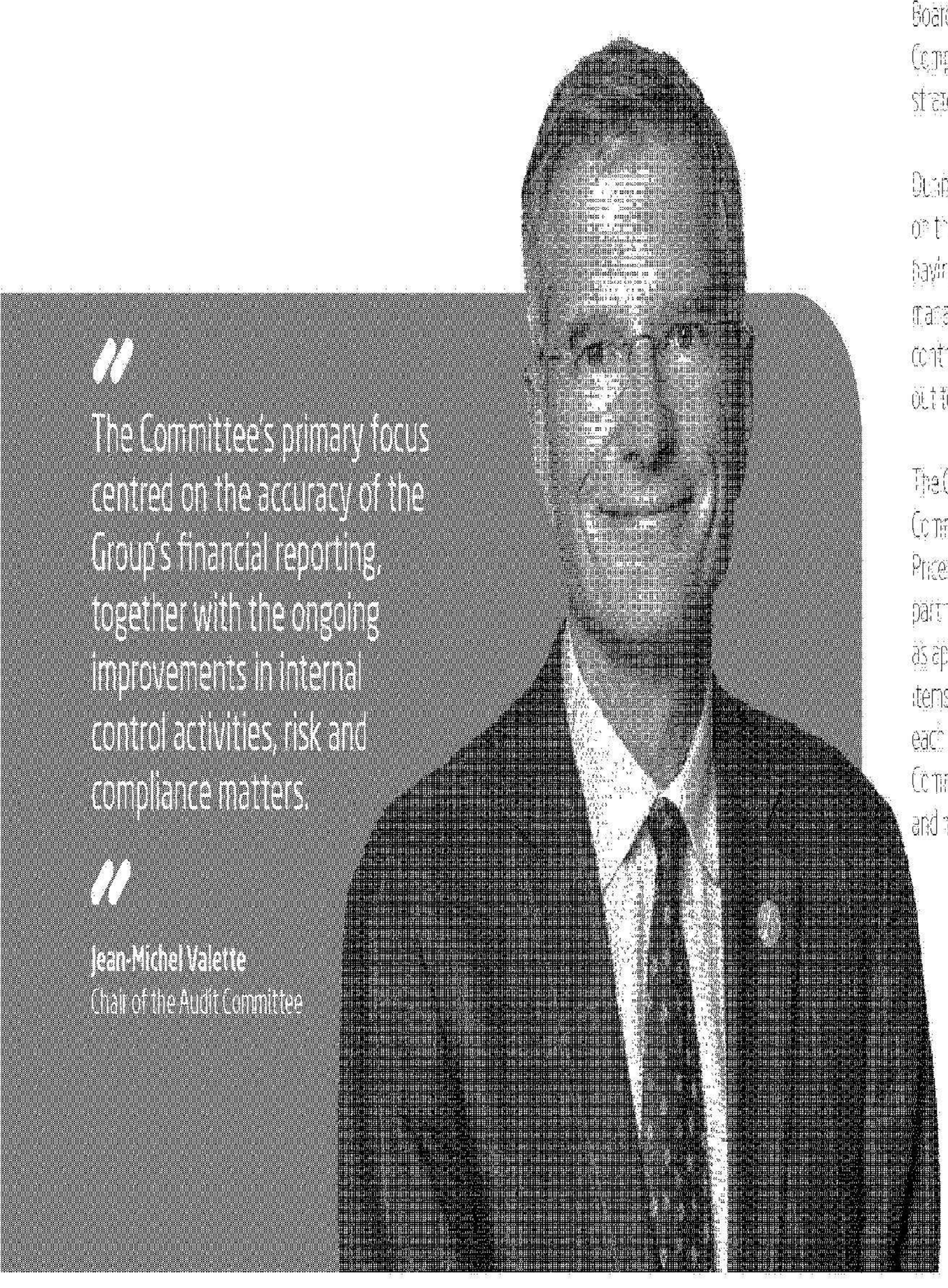
We are pleased to report that during this financial year we made progress against the Listing Rule requirements targets for diversity, 42% of our Board members are women, and we have three members of the Board from an ethnic minority background. The Committee is aware that the four senior positions of CEO, CFO, SID and Chair are currently held by male Directors. As part of the Board succession planning over the coming 24 months, we will ensure that there is a diverse portfolio of candidates considered.

The Committee continues to monitor the overall inclusion and diversity of Intertek's leadership at Board and senior management level, to ensure the broadest range of leaders are considered for new appointments.





Audit Committee report



"The Committee's primary focus centred on the accuracy of the Group's financial reporting, together with the ongoing improvements in internal control activities, risk and compliance matters."

Jean-Michel Valette
Chair of the Audit Committee

Dear shareholder,

I am pleased to present this report, which is intended to provide shareholders with insights into the work we have done as a Committee to provide assurance on the integrity of the Annual Report & Accounts for the year ended 31 December 2023, together with the effectiveness of the Group's risk management and internal control framework in a year of continued market volatility.

The Committee supports the Board by setting, reviewing and monitoring Intertek's policies and procedures to ensure the independence and effectiveness of the Internal and External Audit functions, the integrity of financial and narrative reporting, the Company's internal control framework and the adequacy of the processes that enable the Board to assess the level of principal risks the Company is prepared to take to achieve its long-term strategic goals.

During 2023, the Committee's primary focus centred on the accuracy of the Group's financial reporting, having applied additional focus to assess the risk management and the framework of internal financial controls, together with the additional work carried out to support the long-term viability statement.

The Committee met four times in 2023. As Committee Chair, I meet with the PricewaterhouseCoopers LLP ("PwC") lead audit partner, the Group's Audit Director and management as appropriate ahead of meetings to discuss specific items of focus to report to the Committee. After each meeting, I also report back to the Board on the Committee's activities, the main issues discussed and matters of particular relevance.

Throughout the year, the Committee also ensured that separate meetings with the CEO, Group Audit Director and the external auditor took place (the latter without management present) in order to provide an open forum for issues to be raised, and I also held separate meetings, on behalf of the Committee, with senior management within Intertek and with PwC on a regular basis.

We advised the Board that we had reviewed the process to ensure the 2023 Annual Report & Accounts are fair, balanced and understandable and provides the necessary information for our shareholders and stakeholders to assess the Group's position, performance, business model and strategy. The process of review is described in greater detail on page 75. The Committee uses its collective expertise, with input from the External Auditor, to understand and, where appropriate, to challenge the approach and judgements made by management in the treatment of financial matters and the resulting disclosures within the financial statements.

The External Auditor performs its statutory audit by auditing the accounting records of the Company against agreed accounting practices, relevant laws and regulations. PwC's audit report can be found in Book Three, pages 57–63.

On 20 July 2023, I received a letter from the FRC following the review of Intertek's 2022 Annual Report & Accounts. The FRC stated that there were "no questions or queries" in relation to those Annual Report & Accounts[1]. The FRC did highlight certain matters which Intertek were invited to consider in relation to preparation of the 2023 Annual Report & Accounts, and these matters have been dealt with in our approach to disclosure this year.

1. As with all FRC reviews, the letter provides no assurance that the Annual Report and Accounts are correct in all material respects. The FRC's review is solely to verify that information provided by listed companies is in accordance with reporting requirements.

The Committee has also continued to monitor the heightened scrutiny on the external reporting of ESG and, more specifically, sustainability and the effects of climate change on companies. As part of the Task Force on Climate-related Financial Disclosures compliance, we have reviewed and approved management's assessment of the physical and transitional environmental risks and opportunities to the Group.

The annual Board Effectiveness evaluation, which was conducted internally this year, assessed our performance as a Committee and I am pleased that it concluded that we operate effectively and that the Board takes assurance from the quality of our work.

As Chair of the Committee, I shall make myself available to shareholders, especially at the AGM, to facilitate the answering of any questions that they may have around the scope of the Committee's responsibilities as a whole, the Committee's activities throughout the year, and any other questions that may arise from this report.



Jean-Michel Valette
Chair of the Audit Committee

Membership and attendance

During 2023, the composition of the Committee met the requirements of the Code. The Board is satisfied that the Committee members bring a wide range of finance experience across various industries and all members have competence relevant to the sectors in which Intertek operates, with recent and relevant finance experience.

An overview of the background, knowledge and experience of the Committee Chair and each of the Committee members can be found on pages 50–52 and in the Notice of the AGM.

Committee meeting attendance during the year to 31 December 2023

Committee members	Scheduled meetings eligible to attend	Meetings attended
Jean-Michel Valette (Chair)	4	4
Lynda Clarizio	4	4
Jez Maiden	4	4
Gill Rider	4	3[1]

[1] Jill Rider was unable to attend one meeting due to prior business commitments.

Performance evaluation

The Audit Committee conducted a self-assessment of its performance using a comprehensive questionnaire that covered various aspects of its role and responsibilities. The questionnaire results were analysed and discussed by the Committee members, reviewing the Committee's functionality, members' individual strengths and identified any additional training that may be beneficial.

The assessment showed that the Committee operated effectively. The Committee receives high-quality meeting materials and the diverse backgrounds and skills among the members and relevant subject matter expertise and business acumen enable members to discharge their duties in accordance with the Terms of Reference and the requirements of the Code.

Committee responsibilities and how we met them in the year

The Committee has specific responsibilities delegated to it by the Board and the full Terms of Reference of the Committee can be found at intertek.com. The terms of reference are reviewed annually. The Group Company Secretary, the audit partner and members of his team attended all meetings held during the year. At the invitation of the Committee, the Chair, CEO, CFO, Group Financial Controller and the Group Audit Director attended meetings. Other members of senior management were invited to attend the meetings as necessary.

The business of the Committee is linked to the Group's financial calendar of events and the timetable for the annual audit.

Financial reporting

A principal responsibility of the Committee is to monitor the integrity of the financial statements of the Group, having regard to the matters communicated to us by the external auditor and to measure the performance of the Group against the financial goals of our strategy. This is key for our shareholders and other stakeholders in order for them to understand the financial strength of the business.

In order to fulfil this responsibility, we reviewed the full-year and half-year results, as well as any formal announcements relating to the Group's financial performance, prior to release, and recommended their approval to the Board.

Committee's activities during 2023

Focus	February	May	July	December
Financial reporting:				
• Full-Year and Half-Year Results and accounting judgements	●		●	●
• Annual Report & Accounts	●			
• Going concern assessment	●		●	
• Viability statement	●			
Climate Change/TCFD reporting	●			
Group Risk Process and Viability Statement basis of preparation for YE 31 December 2023				●
Internal controls over financial reporting			●	
Core Mandatory Control and Assurance Map update	●			
Managed shared audit		●	●	
Internal audit:				
• Internal audit report	●			
• Internal audit plan for 2024 and Internal Audit Charter				●
• Internal audits coverage and analysis	●	●	●	●
• Internal Assessment of Internal Audit effectiveness				●
• External Assessment of the Internal Audit effectiveness				●
External audit:				
• PwC report to the Committee	●	●		●
• PwC audit plan and strategy		●		
• PwC interim review findings			●	
• Audit and non-audit fees	●			●
• Effectiveness		●		
• Independence and re-appointment	●			

Going concern and viability statement

We received a detailed report from management with the approach taken to the going concern statement and viability statement which included the projected funding requirements, the facilities available to the Group, the sensitivity models used, including an illustrative severe yet plausible downside scenario of a reduction of 30% to the base profit forecasts and the corresponding impact to cash flow forecasts in both 2024 and 2025, and the review of principal risks and uncertainties undertaken.

The Committee reviewed the paper and challenged the assumptions with management and after making diligent enquiries, the Directors have a reasonable expectation, based upon current financial projections and bank facilities available, that the Group has adequate resources to continue in operation and meet its liabilities as they fall due over the period. This conclusion is based on a review and an assessment of the levels of facilities expected to be available to the Group, based on levels of cash held, Group Treasury funding projections, and the Group's financial projections for a period to 31 December 2025.

The undrawn headroom on the Group's committed borrowing facilities at 31 December 2023 was £564.3m (2022: £707.9m). The maturity of our borrowing facilities is disclosed in note 14 of the financial statements in Book three with the repayment of US$125m of senior notes repaid by 31 December 2024. The Group Treasury funding projections forecast these to be repaid using existing facilities following the issuance of €185m of senior notes issued in December 2023.

Following the recommendation of the Committee, the Board continues to consider it appropriate to adopt the going concern basis in preparing the Group's financial statements (as disclosed in note 1 of the finance statements in Book three, page 7) and has approved the long-term viability statement as set out in Book one, pages 52 and 53.

External audit

Auditors' appointment

The appointment, review and relationship with the external audit firm and the annual review of the effectiveness of the external audit is a responsibility that is delegated to the Committee.

A transparent and independent audit tender process was completed in 2015 and PwC have been the Group's auditors since May 2016. In line with current regulation, the Group is required to put its external audit process out to tender again in 2025-2026. Graham Parsons serves as the PwC audit partner responsible for the Group audit and he assumed in May 2021.

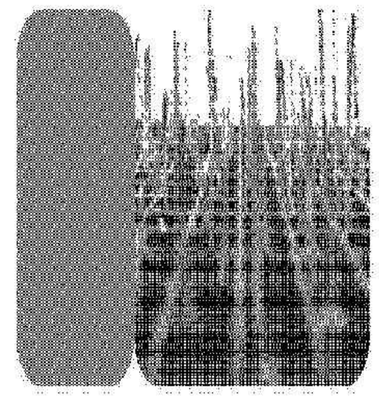
The Committee monitors and reviews the independence and objectivity of the external auditor and reviews the effectiveness of the external audit process. The Committee also considers and makes recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, reappointment and removal of the Group's external auditor. It ensures that at least once every ten years the audit services contract is put out to tender to enable us to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms.

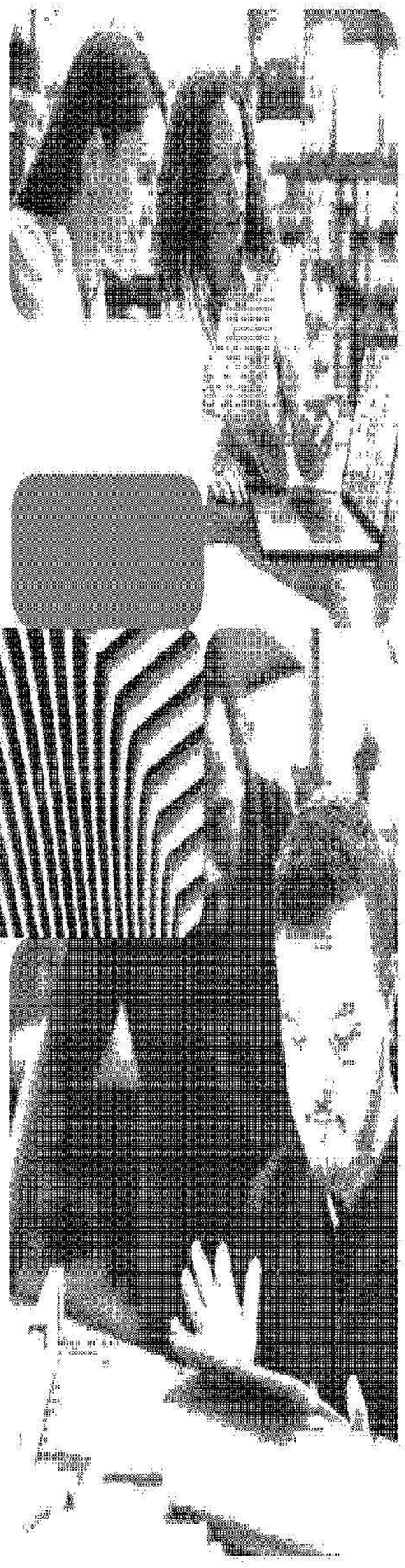
The independence of the external auditor is critical for the integrity of the audit. The Committee sought confirmation from the auditor that they are fully independent from the Group's management, are free from conflicts of interest and have assessed the nature and level of non-audit fees paid to PwC and have determined that PwC are fully independent.

During the year, the Mazars integrated partnership (Mazars) were appointed to audit approximately 3.9% of the Group's in-scope components, measured as a proportion of revenue.

2023 Audit plan

During the year the Committee evaluated PwC's Group audit scope for 2023. The year-end audit plan was based on agreed objectives, with the audit focused on areas identified as representing significant risk and requiring judgement. In order to manage cost and ensure that the Group maintains audit relationships outside the 'Big 4', Mazars undertakes some of the Group audit work under the direction of PwC. It is principally responsible for the statutory audit of certain non-material group subsidiaries, but also undertook specific audit procedures for certain component entities that were within PwC's Group audit scope for 2023. Mazars reported independently to PwC on this work and the work was directed, supervised and reviewed by PwC.





External auditor effectiveness and quality

The Committee conducts an annual review to assess the independence and objectivity of the external auditor and the effectiveness of the audit as part of the year-end process. This process is conducted in three parts as outlined below:

1. PwC presents to the Committee its approach to safeguarding and maintaining the quality and independence of the audit of the Group and their auditors, including addressing any risks they face in maintaining audit quality across their network. This is an extensive report covering all aspects of the audit from the scope of work, reporting the outcomes of findings, the key audit matters, fraud and investigations, intercompany transactions, treasury, key risks, going concern and the IT environment. Each aspect is reviewed and debated with the auditors. The Committee was satisfied that the audit was extensive, sufficiently challenging and robust.
2. The views of management and the Directors on PwC's service, level of challenge, and application of professional judgement are obtained via a questionnaire, and subsequent follow up as necessary. The feedback is then presented to the Committee.
3. The key findings and recommendations from both processes, together with any form of appropriate external evaluation such as feedback from shareholders and the FRC Audit Quality Inspection Report then form the basis of the assessment of PwC's effectiveness, together with the Committee's experience of dealing with PwC during the year.

The responses to the annual appraisal questionnaire were collated and incorporated into the planning process for the following areas: Planning, Fieldwork and Reporting.

Following this review, the Committee considered in detail the feedback received from a selection of internal personnel, including Committee members, Group functions, regional finance teams and country finance managers. The feedback scores from the survey demonstrated a decrease in two of the three sub-categories compared to the prior year, namely fieldwork and reporting, with an increase in the planning category. The overall perception of PwC's effectiveness remains positive, with 96% of respondents either agreeing or mostly agreeing with the statements outlined in the questionnaire, largely in line with prior year (2022: 97%).

Overall, there continues to be a strong collaborative approach ensuring year-round communication and engagement with opportunity to better integrate IT and other work streams. The audit findings and the areas to improve were discussed at the May 2023 Committee meeting and PwC effectively addressed questions and challenges provided by Committee members.

The Committee concluded, at the meeting held in May 2023, that PwC remained independent and that, overall, PwC had completed a robust and fit-for-purpose audit process across the Group with a satisfactory level of resources.

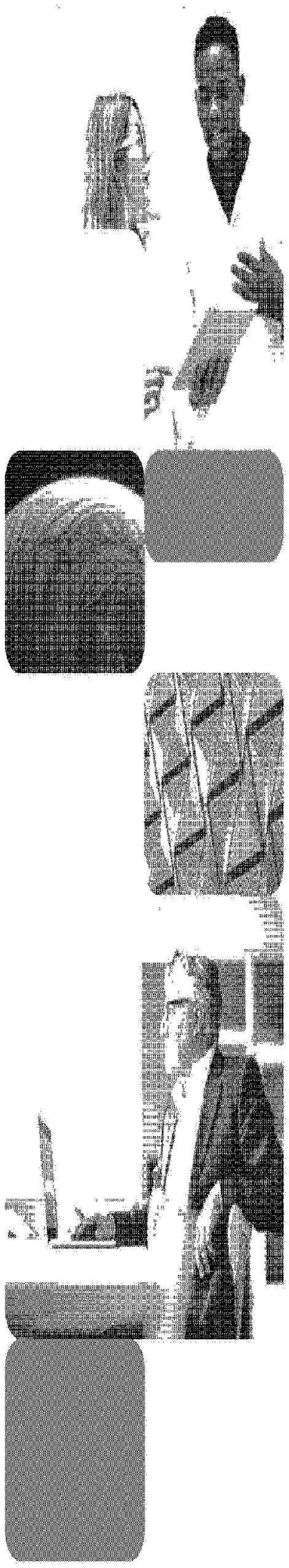
The effectiveness of the 2023 audit of the Group will be reviewed by the Committee in May 2024.

Audit and non-audit fees

The Terms of Reference of the Committee include ensuring the continued independence and objectivity of the Group's external auditors. This is achieved through:

- the annual approval of the policy for the engagement of external auditors for audit and non-audit services;
- setting limits for non-audit spend for the external auditors;
- an annual review of the Group Auditor's performance in conducting the external audit (presented at the May 2023 Audit Committee meeting);
- a five year maximum tenure period for the external audit partner; and
- where appropriate, audit rendering and rotation.

The Group has set out a policy on the provision of non-audit work by the external auditor consistent with the 2019 Ethical Standard issued by the FRC and it is designed to ensure that the provision of such services does not create a threat or compromise the external auditor's independence and objectivity. The policy outlines in detail the services that the external auditor cannot provide including tax services and services that involve playing any part in the management or decision-making of the audited entity amongst others. It identifies certain types of engagement that the external auditor shall, subject to the audit cap, be permitted to undertake, including with respect to audit-related services such as reporting required by law or regulation to be provided by an auditor, reviewing interim financial information, reporting on regulatory returns, reporting to a regulator on client assets and reporting on government grants. With respect to non-audit services, the policy outlines the services that can be provided by the external auditor as required by law or regulation and are exempt from the non-audit fee cap.



In the event that an engagement for non-audit services arises, the policy is designed to ensure that the external auditor is only appointed where it is considered to be the most suitable supplier of the service and the necessary prior approvals have been given in accordance with the policy.

The Committee annually reviews and re-approves the framework of permitted non-audit services as set out in the policy, taking into account any changes in legislation and best practice. The Committee reviewed the policy in 2023 and no material changes were made. PwC also provides an update on the spend for non-audit services twice a year. For 2023, the Committee pre-approved a total non-audit spend of £234,000 (2022: £234,000).

As per the policy, all non-audit services must be approved by the CFO, and in the event that the pre-approved limit is exceeded, the Committee Chair and the CFO have to approve an increase to the pre-approved limit. In 2023 this process operated effectively.

A summary of the fees paid for non-audit services is set out below. The majority of the non-audit fees related to a review by PwC of the Interim Results announcement, which is deemed a non-audit service. This was considered appropriate as PwC also audit the full-year results.

Further information is contained in note 4 to the financial statements in Book three, page 12.

Statement of compliance with the Competition and Markets Authority ('CMA') Order

The Committee considered that the Company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 published by the CMA on 26 September 2014, including with respect to the Audit Committee's responsibilities for agreeing the audit scope and fees and authorising non-audit services.

Internal audit

The Group has an Internal Audit function, whose activities are overseen by the Committee, which provides assurance over compliance with the Group's framework of Financial Core Mandatory Controls ("CMCs").

The Committee monitors and reviews the effectiveness and resources of the Internal Audit function. To this end, the Committee approves the Internal Audit programme and charter for the year. The Committee reviews the internal audit reports and monitors management's responsiveness to the findings and recommendations of the Group Audit Director, as well as approving the appointment and removal of the Group Audit Director as appropriate. When reviewing the summary findings, management responses, progress against audit recommended improvement plans and average compliance scores, the Committee were satisfied that the Internal Audit function continued to work effectively and focus its activities in the areas with most need.

Independent review of effectiveness

An independent review of effectiveness was undertaken by Grant Thornton in 2023. Such reviews are generally carried out every three years but, given disruptions due to Covid-19, the review was completed four years after the previous review in 2019. The annual internal effectiveness review was also completed in 2023.

Grant Thornton's approach considered four key areas: Performance, Planning, People and Positioning. The review concluded that the Internal Audit function is valued and their role in defining expectations and improving compliance with the financial CMCs is widely acknowledged. They further concluded that the function exhibits good practices, in particular in the continuous improvement agenda of the team, as well as their innovative processes and reporting. The report also highlighted that the remit of the Internal Audit role could evolve and expand in the future.

The Committee satisfied itself that the quality, experience and expertise of the function is appropriate for the business.

Fair, balanced and understandable

In February 2024, the Committee reviewed the 2023 Annual Report & Accounts and concluded that, taken as a whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position, performance, business model and strategy, and the potential impact of forward-looking assumptions supporting going concern and viability assessments. In its assessment, it considered that the following had been carried out and this formed the basis of its recommendation to the Board:

- pre-year-end discussions held with the external auditor in advance of the year-end reporting process;
- pre-year-end input provided by the senior management team and from corporate functions;
- a verification process dealing with the factual content of the reports to ensure accuracy and consistency;
- comprehensive review by the senior management team to ensure overall consistency and balance; and
- review conducted by external advisers and the external auditor on best practice regarding the content and structure of the Annual Report & Accounts.

	2023 £m	2022 £m
Total non-audit fees	0.2	0.2
- audit-related services	0.2	0.2
- tax services	-	-
- other non-audit services	-	-
Audit fee	5.8	5.9
% of audit fee	3%	3%

Internal control and risk management systems

The Board ultimately reviews the Group's risks, controls and compliance and mitigation actions. The Committee is responsible for reviewing the adequacy and effectiveness of that risk framework. We have an integrated approach to getting assurance that our risks are being appropriately and effectively identified and addressed. Further information on how Intertek has implemented an end-to-end integrated approach to risk, control and compliance is outlined on page 65.

'Doing Business the Right Way' is at the heart of what we do and continues to be a key enabler of our A&A strategy. The Intertek CMCs are an integral part of 'Doing Business the Right Way' and provide the mechanism by which we define, monitor and achieve consistently high standards in our control environment throughout the whole organisation. At the end of the year, the Committee undertook a review of the effectiveness of the CMCs and Assurance Map to ensure that they continued to be fit for purpose. Where non-compliances with the current CMCs were identified in the 2023 Internal audit review process, remediation plans have been put in place. For 2024, the effectiveness of the process was reviewed and there were additional controls introduced based on risks and issues highlighted by the Group's Internal Audit and Compliance assurance programmes and based on other risk indicator data and outputs including the reporting, review and corrective actions of Hotline reports.

In order to provide assurance that the Intertek controls and policy framework is being adhered to, a self-assessment exercise is undertaken across the Group's global operations. This exercise is reviewed and refreshed each year to align with the updated control framework and to support the continued development of the Group's control environment.

An online questionnaire requesting confirmation of adherence to controls in financial, operational, HR and IT is sent to all Intertek operations. Where corrective actions are needed, the country is required to provide an outline and a confirmed timeline. The results are used as an input for the Internal Audit and Compliance Audit assurance work for 2024.

Self-assessment responses are consolidated for review at a regional level with further review and sign-off of the consolidated self-assessments in the regional risk committees, before a final consolidated CEO and CFO review. A fine summary assessment is provided to the Committee. The self-assessment exercise has been reviewed during the year to ensure global coverage and to reflect Intertek's operational and financial structure, and in order to enhance the alignment of the self-assessment to the assurance process.

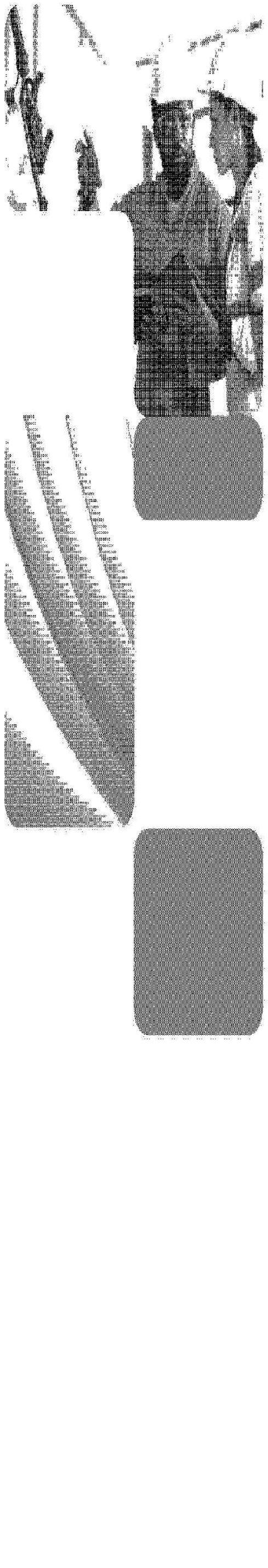
We annually review and approve the statements to be included in the Annual Report & Accounts to ensure they remain relevant to the Group's strategy and operations as well as complying with any regulatory requirements. A detailed verification programme also provides assurance to the Committee and the Board when checking that all the statements made in the Annual Report & Accounts are accurate. Intertek's Manual of Accounting Policies and Procedures is issued to all finance staff giving instructions and guidance on all aspects of accounting and reporting that apply to the Group. The Committee can confirm that it reviewed the Group's internal controls and risk management systems and concluded that there was an effective control environment in place across the Group during 2023, and up to the date on which these financial statements were approved. No significant failings or weaknesses were identified.

Whistleblowing and fraud

We reviewed the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

The whistleblowing hotline is well-publicised and can be used by all employees, contractors and others representing Intertek, or by third parties such as our customers or people who are affected by our operations. This whistleblowing hotline is run by an independent, external provider, is multi-language and is accessible by phone and by email 24 hours a day. Further information on the whistleblowing hotline can be found on page 42.

In addition, we review the Group's systems and procedures for detecting fraud and the prevention of bribery and receive regular reports on non-compliance and keep under review the adequacy and effectiveness of the Group Compliance function.



Significant issues considered by the Committee

In preparation for each year-end, the Committee reviews the significant accounting policies, estimates and judgements to be applied in the financial statements and discusses their application with management. The external auditor also considers the appropriateness of these assessments as part of the external audit. The Committee's views, comments and their insights are used to inform the processes and approach taken by management in all areas of significant risk, thus facilitating a Group-wide consistent and prudent approach.

In accordance with the Code, the external auditor prepares a report for the Committee on both the half-year and full-year results, which summarises the approach to key risks in the external audit and highlights any issues arising out of the work on these risks, or any other work undertaken on the audit.

Following reviews and discussions throughout the year of all the relevant papers presented and after considered discussion with management and the external auditors, the Committee had an understanding of the business rationale for transactions and how they were being recorded and disclosed in the financial statements, and therefore agreed that the estimates and areas of judgement exercised by management were appropriate.

During the year, the Committee reviewed and considered the following estimates and areas of judgement to be exercised in the application of the accounting policies.

Claims

From time to time, the Group is involved in various claims and lawsuits incidental to the ordinary course of business. The Committee considered the claims provision which reflects the estimates of amounts payable in connection with identified claims from customers, former employees and others. The Committee noted that once claims have been notified, the finance teams liaise with the business to determine whether a provision is required, based on IAS 37 Provisions, Contingent liabilities and Contingent assets ('IAS 37').

The level of provision is subsequently reviewed on a regular basis with the Group General Counsel, taking into account the advice of external legal counsel. The Committee, following assurance from management and review of the position by the external auditors, considered and agreed that the claims provision, and associated disclosures, were appropriate given the size and status of claims reported.

Taxation

The determination of profits subject to tax is calculated according to complex laws and regulations, the interpretation and application of which can be uncertain. In addition, deferred tax assets and liabilities require judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income. The main areas of judgement in the Group tax calculation are the expected central tax provisions for the full year, including provisions related to transfer pricing risk, and the recognition of the UK deferred tax asset.

Twice a year, the Committee receives a report from management providing an evaluation of existing risks and tax provisions which is reviewed by the Committee. The Committee also considered reports presented by the external auditors before determining that the levels of tax provisioning were appropriate.

Revenue Recognition

IFRS 15 Revenue from Contracts with Customers requires an entity to recognise revenue in a way that shows the transfer of goods/services promised to customers is an amount that reflects the expected consideration in return for transferring control of these goods or services to the customer.

The Committee reviewed the work completed regarding revenue and, taking into account the views of the external auditors, agreed that the treatment was appropriate.

Acquisitions and fair value accounting

The Committee was advised of the approach taken to the acquisitions made in 2023 where the related fair value was recognised on a provisional basis. Such provisional amount is subsequently finalised within the 12-month measurement period, as permitted by IFRS 3. Details of the acquisitions in 2023 are set out in note 10 in Book three, page 23.

The Committee, following assurance from management and review of the position by the external auditors, was satisfied that the treatment was appropriate.

Impairment of Goodwill and other acquired intangible assets

The Group is required to make judgements to estimate the fair value of assets and liabilities acquired, in particular, the amounts attributed to intangible assets such as trades, brands, acquired customer lists and associated customer relationships. These judgements impact the amount of goodwill recognised on acquisitions. As outlined in note 9 in Book three, the Group has £1,365.8m of Goodwill which has arisen on acquisitions. An impairment assessment is required at least annually in respect of this amount.

The Committee noted the update as at the year-end and, taking into account the acquisitions made during the year, and after seeking views from the external auditors, agreed the disclosure in note 9 in Book three, pages 20-22.

Accounts receivable and accrued income

The Group takes a prudent approach to provisioning of accounts receivable and accrued income balances in line with IFRS 9 Financial Instruments.

The Committee noted the update as at the year-end and, considering the views of the external auditors, agreed that the Group's provision was appropriate.

Consideration of Climate Change

Mandatory TCFD reporting for premium listed entities has driven significant momentum regarding climate change related disclosures. The Group has set out its consideration of climate change in respect of an impact on the financial reporting judgements and estimates arising from our assessment of climate change on the Group as a whole.

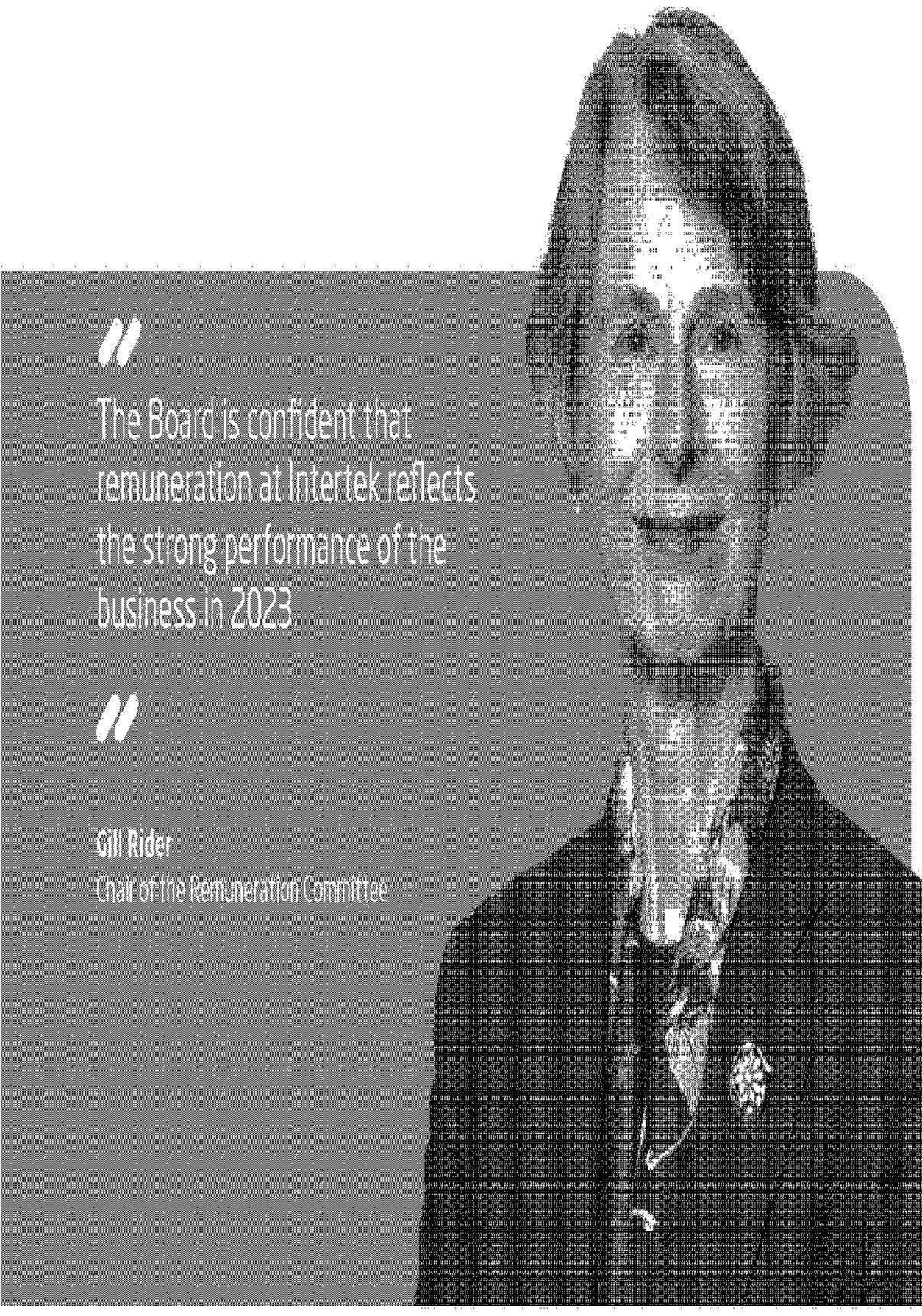
The Committee reviewed the approach taken to consider the impact of climate change and the disclosures in Book one, pages 56-65 and taking into account the feedback from the external auditors agreed the approach taken and the related disclosures.

Pensions

The Group operates a number of post-employment plans. In most locations, these are defined contribution arrangements. However, there are material defined benefit schemes in the United Kingdom and Switzerland.

Having considered advice from external actuaries and assumptions used by companies with comparator plans, the Committee agreed that the assumptions used to calculate the income statement and balance sheet assets and liabilities for post-employment plans were appropriate (see note 16 in Book three, pages 35-38).

Remuneration Committee report



"The Board is confident that remuneration at Intertek reflects the strong performance of the business in 2023."

Gill Rider
Chair of the Remuneration Committee

Dear shareholder,

I am delighted to present our Remuneration Report for the year ended 31 December 2023.

Business context

This year the Group has delivered a strong financial performance in revenue, margin, EPS, cash and ROIC. There has been a higher demand for our ATIC solutions, which has enabled us to deliver the highest like-for-like revenue growth in the last ten years. This year the business has made two successful acquisitions in Controle Analitico and Plato Lync. The acquisitions we made the previous years with SAJ, ITA and CEA have been successfully integrated into the Group and performed well. We have made progress on margin, as we benefitted from our pricing and productivity initiatives, and we have delivered a robust free cash flow performance.

Earlier this year we launched our existing Intertek AAA differentiated growth strategy which will unlock the significant growth opportunities as the Total Quality market accelerates. The key highlights of our 2023 performance are:

- Revenue growth of 7.1% at constant currency driven by like-for-like revenue growth of 6.2%. This is the highest in the last ten years.
- Margin increase of 60bps at constant currency.
- Adjusted diluted EPS growth of 11% at constant currency.
- All time high operating cash generation of £749m.
- Strong balance sheet with reduction of net debt by £127m giving us the ability to invest in growth.

Wider workforce

Across the Group our employees have led by example in every operation, showing their passion, commitment and innovation. Our people bring exceptional technical skills, expertise and energy to our business and our focus on their health, safety and well-being is critical to our continued success. Intertek is compliant with minimum wage and mandatory social contributions requirements in all jurisdictions where we operate, and, given the geographic spread of the Group's operations, employee rewards managed at local level to enable local management to deliver the right customer and employee experience. This year, we have continued to focus on the wellbeing of our employees through our Fitness programme, which supports our colleagues' wellbeing and ensures a safe and healthy work environment in which they can prosper.

With regards to salary budgets, we continue to be mindful of the challenges our employees are facing with the ongoing inflation and cost-of-living pressures across the world. In making salary budget decisions, the Group balanced the challenges our employees are facing with the wider approach to cost discipline. Across the UK, the salary increase has been agreed at 3.4%, with the UK representing circa 5% of Intertek's employee population.

Pay for performance in 2023

There was no change to our annual incentive framework for 2023, which continues to support the Group's strategy for growth and our purpose of "Bringing Quality, Safety and Sustainability to life". As such, 70% of the annual incentive was based on a matrix of Revenue and Adjusted Operating Profit Growth, 15% on ROIC and 15% on Carbon Emissions.

As set out earlier in the Annual Report & Accounts, in 2023, Intertek has delivered strong financial performance revenue growth, margin progression, EPS, cash and higher ROIC. The Group also exceeded the targets set on carbon emissions. Based on the performance targets set at the start of the year, this would have resulted in a formulaic outcome of 76.44% of maximum. Taking into account that a proportion of the over-performance on the carbon emissions metric was driven through accelerated capex investments the Committee, on recommendation from the Management, scored the metric at target, which reduced the 2023 bonus outcome to 68.94%. The Committee felt that the overall outturn was in keeping with the overall performance of the business in the year. 50% of this award will be deferred into shares for three-years. The majority of employees in the whole Group have an annual incentive award that is linked to the same metrics that we use throughout the business.

Our 2021 long-term incentive award was based on three equally weighted metrics, Earnings Per Share, Adjusted Free Cash Flow and Return on Invested Capital, aligned with the Group's strategy for sustainable growth. Over the longer term, the three-year performance of the Group has delivered EPS CAGR growth of 12.5%, Adjusted Free Cash Flow of £1,231m and three year average Return on Invested Capital of 26.7%. This has resulted in a payout under the 2021 long-term incentive award of 100% of maximum.

When determining incentive outcomes the Committee exercised independent judgement, taking into account a number of internal and external considerations to determine whether the results felt appropriate, including:

- The introduction of the Intertek AAA differentiated growth strategy and the strategic actions taken by the Board to seize the significant growth opportunities ahead;
- The share price performance in the year and the implementation of our progressive dividend policy, which rewarded our shareholders with a £120.2m payout for the final 2023 dividend;
- The successful acquisitions in high growth, high margin segments which have been embedded into the Group and are performing well; and
- The overall stakeholder experience over the year, including the experience of our clients, employees and communities.

It was the view of the Committee that the incentive outcomes appropriately reflected performance in the period and the wider shareholder experience, and the Remuneration Policy operated as intended and therefore no discretion was applied.

Board changes

As previously announced, Jonathan Timmis ceased to be a Director on 17 March 2023. His departure terms were consistent with our Directors' Remuneration Policy. Given the change to the organisational structure and his good performance, Jonathan was treated as a good leaver for incentive plan purposes. Outstanding incentive awards will remain subject to performance and will be pro-rated for time. Where appropriate, outstanding awards are also subject to forfeiture provisions, if Jonathan were to take up alternative employment prior to the release date of these awards. Jonathan's 2020 LTIP award vested in full. Full details of Jonathan's remuneration arrangements for his departure are set out on pages 100-101.

We were delighted to appoint Colin Deasy as CFO with effect from 17 March 2023. On appointment, his base salary was set at £425,000, representing a significant discount to his predecessor. The Committee deliberately set Colin's salary at a prudent level as the Committee noted that this was Colin's first appointment as a plc company CFO and it was the Committee's intention to keep Colin's salary level under review as he built experience in the role. At the end of the year the Committee undertook a further review of Colin's salary arrangements. Reflecting on Colin's strong performance since his appointment the Committee determined that the salary for Colin should be increased to £500,000. Whilst the Committee believes that this salary level is more reflective of Colin's performance as a strong finance leader, the Committee notes that it continues to represent a discount to his predecessor and is below the median level of our benchmarking comparator group. We will continue to review this positioning. Colin's pension arrangements are in line with the wider UK workforce and his annual incentive and long-term incentive opportunity have been set in line with his predecessor.

As the role was an internal appointment, there was no buy-out award to be made on appointment.

2024 Directors' Remuneration Policy

In line with the normal three-year cycle, we will be submitting a new Directors' Remuneration Policy for shareholder approval at our 2024 AGM. In anticipation of this, the Remuneration Committee undertook a detailed review of the current Remuneration Policy during the year. Following a comprehensive review, the Remuneration Committee concluded that our current Remuneration Policy, which is centred on rewarding the Executive Directors where performance is delivered, remains fit-for-purpose and continues to support the execution of the Group's strategy for growth and the generation of sustainable returns for our shareholders. As such no material changes are being proposed to the structure of the package nor the maximum award opportunities. The ongoing Remuneration Policy will therefore continue to comprise of the following:

- Fixed remuneration, including base salary, cash in lieu of pension and benefits;
- An annual bonus, which is based predominantly on financial metrics linked to Operating Profit, Revenue Growth and Return on Invested Capital. In line with changes made for 2022, a proportion of the award will be measured against ESG based metrics. 50% of the bonus will continue to be delivered in shares, with 50% paid in cash;
- A conditional long-term incentive plan, under which performance is measured over a three-year period, with no release of value until year five. Performance metrics for the plan remain well aligned to our Intertek AAA differentiated growth strategy, comprised of Earnings Per Share, Adjusted Free Cash Flow, and Return on Invested Capital.

Our Remuneration Policy can be found on pages 81-88 of this report.

The Remuneration Committee is mindful of the expectation of some of our shareholders that the pension arrangements for the CEO should be aligned with the wider UK workforce. As such, as part of our previous Remuneration Policy we agreed with the CEO to reduce his pension contribution from 30% of base salary to 15% of base salary (which is the level of the majority of the UK workforce) over five years. Taking into account the reductions made over the previous three years, the CEO's pension arrangements will be aligned to the wider UK workforce rate within this 2024 Remuneration Policy.

Implementation of our Remuneration Policy in 2024

With regard to salary, the Committee has awarded the CEO a 3.0% salary increase, which is below the wider UK workforce increase of 3.4%. As noted earlier, the CFO salary has been reviewed, taking into account his strong performance since appointment. His new salary continues to be the median of our benchmarking comparator group and will be kept under review as he continues to grow in the role.

The maximum annual incentive opportunity will remain at 200% of salary for the CEO and CFO in line with the Remuneration Policy. The annual incentive will continue to be based 85% on financial metrics and 15% on ESG, with no proposed change to the annual incentive measures which the Committee believes continue to align with our AAA differentiated growth strategy and our purpose of "Bringing quality, safety and sustainability, to life".

Long-term incentive awards will be granted to the CEO and CFO in 2024, with no changes to the award sizes (CEO: 500% of salary, CFO: 200% of salary), or performance measures which continue to support the Group's strategy for sustainable growth. Details of the underlying targets for the 2024 long-term incentive awards are set out on pages 89-90.

Alignment with strategy and purpose

Our Core Purpose of "Bringing Quality, Safety and Sustainability to life" continues to be central to everything we do. Across the organisation our people are excited by the opportunity we have to deliver our Purpose every day. Our Purpose is supported by our Values. We pride ourselves in living our Values, with integrity and fairness sitting at the heart of all our decisions. We believe that our Remuneration Policy and its implementation are value-based, and will create sustainable momentum for the business, our people, our customers and our shareholders in the years to come, whilst also supporting the sustainable delivery of Intertek's AAA differentiated growth strategy to unlock the significant value growth opportunity ahead.

Looking forward

I will be stepping down as Chair of the Remuneration Committee following the conclusion of the 2024 AGM, and consequently this will be my final report to you before handing over to Graham Allan who has been a member of the Remuneration Committee since 2017. I would like to take this opportunity to thank our shareholders and their representatives for the time taken to engage with us during my tenure as Chair and for the valuable insight and feedback they have provided. I know that Graham looks forward to continuing this transparent and open dialogue when he formally takes over as Chair. Both Graham and I will be attending the AGM.

The Board is confident that remuneration at Intertek continues to be aligned to our shareholder interests and carefully designed to support our strategy. I look forward to your support at our forthcoming AGM.

Yours sincerely,



Gill Rider
Chair of the Remuneration Committee

Directors' Remuneration Policy

In line with the three year Policy cycle, the Remuneration Policy for Executive and Non-Executive Directors will be presented to the AGM to be held on 24 May 2024. The Policy was last approved by shareholders at the AGM on 26 May 2021. There is no substantial change proposed to the Remuneration Policy this year. The full Policy is set out on pages 81-83.

In determining the Remuneration Policy, which was approved in 2021 and will be submitted for approval in 2024, the Committee followed a robust process which included discussions on the content of the Policy at two Remuneration Committee meetings. The Committee considered input from management. Any conflicts of interest were managed with decisions being taken by the members of the Remuneration Committee with the support from our independent advisers, as well as in the context of best practice and guidance from our major shareholders and the proxy advisory bodies.

Policy overview

We continue to focus on ensuring that our Remuneration Policy is appropriate for the nature, size and complexity of the Group, encourages our employees in the development of their careers, is aligned with the Company's strategy and is in the best interests of the Company and its stakeholders. It is directed to deliver continued sustainable growth.

Our remuneration strategy is to

- align and recognise the individual's contribution to help us succeed in achieving our AAA differentiated strategy for growth;
- attract, engage, motivate and retain the best available people by positioning total pay and benefits to be competitive in the relevant market and in line with the ability of the business to pay;
- reward people equitably for the size of their responsibilities and performance; and
- motivate high performers to increase shareholder value and share in the Group's success.

Each year the Committee approves the overall reward strategy for the Group and sets the individual remuneration of the Executive Directors and certain senior management. The Committee reviews the balance between base salary and performance-related remuneration against the key objectives and targets so as to ensure performance is appropriately rewarded. This also ensures outcomes are a fair reflection of the underlying performance of the Group.

As a global service business, our success is critically dependent on the performance and retention of our key people around the world. Employment costs represent the major element of Group operating costs. As a global Group, our pay arrangements take into account both local and international markets and we operate a global Remuneration Policy framework to achieve our reward strategy. Our benchmark peer groups for the majority of our employees consist of international industrial or business service organisations and similar-sized businesses. For our more senior executives we base our remuneration comparisons on a blend of factors, including sector, job complexity, location, responsibilities and performance, whilst recognising the Company is listed in the UK.

We believe that a significant proportion of remuneration for senior executives should be related to performance, with part of that remuneration being deferred in the form of shares and subject to continued employment and longer-term performance. We also believe that share-based remuneration should form a significant element of senior executives' compensation, so that there is a strong link to the sustained future success of the Group.

Remuneration Policy for Directors

The following table sets out the Remuneration Policy for Directors.

Element of pay	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary	To attract and retain high performing Executive Directors to lead the Group.	The Committee normally reviews salaries annually, taking account of factors including, but not limited to, the scale of responsibilities, the individual's experience and performance. Whilst the Committee takes benchmarking information into account, its decisions are based primarily on the performance of the individual concerned against the above factors to ensure that there is not just fixed upward ratchet in base salary.	There is no prescribed maximum salary or annual increase. In awarding any salary increases, the Committee is guided by the general increase for the employee population but on occasions may need to recognise other factors including, but not limited to, development in role, change in responsibility and/or variance to market levels of remuneration.	Individual performance is taken into account when salary levels are reviewed.
Benefits	To provide competitive benefits to ensure the well-being of employees.	Benefits include, but are not limited to, annual medicals, life assurance cover of up to six times base salary, allowances in lieu of a company car or other benefits, private medical insurance (for the individual and their dependants) and other benefits typically provided to senior executives. Executive Directors can participate in any all-employee share plans operated by the Company on the same basis as all other employees.	The total value of these benefits (excluding the all-employee plans) will not normally exceed 12% of salary. The maximum opportunity under any all-employee share plan is in line with that for all other employees and is as determined by the prevailing HMRC rules.	n/a
Pension	To provide competitive retirement benefits.	Executive Directors can elect to join the Company's defined contribution pension scheme, receive pension contributions into their personal pension plan or receive a cash sum in lieu of pension contributions.	For new Executive Directors pension provisions will be in line with those of the wider UK workforce (currently 5% of salary). For the Group CEO the pension is being brought in line with the wider UK workforce over the next two years to 5% as previously committed. It will reduce to 10% from 1 June 2024 and to 5% from 1 June 2025.	n/a

Element of pay	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual Incentive Plan ('AIP')	To drive the short-term strategy and recognise annual performance against targets which are based on business objectives.	Awards are based on Group annual performance targets, with performance targets normally set annually by the Board. Incentive out-turns are normally assessed by the Committee at the year-end, taking into account performance against the targets and the underlying performance of the business. The Committee has the ability to adjust incentive payments if it believes that out-turns are not appropriate in the context of overall performance. The payout at below threshold performance is 0% of maximum, with 25% of the maximum bonus normally payable for threshold performance. Payouts between threshold and maximum (100%) are determined on an annual basis. Details of the payout schedule will be disclosed in the relevant Directors' Remuneration report. Normally, 50% of any incentive is paid in cash and 50% deferred into shares which will vest after a period of three years subject to continued employment. Malus and clawback provisions apply.	The maximum opportunity in respect of a financial year is 200% of salary for each Executive Director.	The annual incentive will be measured against a range of key Group performance indicators, including both financial and non-financial measures, with a minimum weighting of 80% of financial measures. For 2024, the annual incentive will be based on a 70% matrix of revenue and adjusted operating profit growth, 15% ROIC and 15% ESG, based on Carbon Emissions. These measures support the Group's strategy for growth and our purpose of bringing quality, safety and sustainability to life. The stretch targets, when met, reward exceptional achievement and contribution. There is no incentive payout if threshold targets are not met.
Long Term Incentive Plan ('LTIP')	To retain and reward Executive Directors for the delivery of long-term performance. To support the continuity of the leadership of the business. To provide long-term alignment of executives' interests with shareholders by linking rewards to Intertek's performance.	Annual grant of conditional shares which vest after three years, subject to Company performance and continued employment. Awards may be made in other forms (e.g. nil-cost options) if considered appropriate. The shares will also normally be subject to a two-year holding period after vesting. Performance targets are normally set annually for each three-year performance cycle by the Board. Vesting is normally assessed by the Committee after the end of the performance period, taking into account performance against the targets and the underlying performance of the business. The Committee has the ability to adjust incentive payments if it believes that out-turns are not appropriate in the context of overall performance. Malus and clawback provisions apply.	Up to 300% of salary in respect of any financial year.	LTIP awards are subject to an appropriate balance of earnings, cash and capital efficiency based performance measures, which align with the Group's strategy for sustainable growth. The Committee retains the discretion to introduce another performance metric, with a maximum weighting of up to one-third of the incentive. Were the Committee to introduce such measures it would normally consult with the Company's largest institutional shareholders. For 2024, the LTIP award will be based on earnings per share, return on invested capital and adjusted free cash flow. Each measure will have an equal weighting. 25% of an award will vest for achieving threshold performance, increasing pro rata to full vesting for the achievement of stretch performance targets.

Element of pay	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Share ownership guidelines	To increase alignment between executives and shareholders.	Executive Directors are expected to retain any vested shares (net of tax) under the Group's share plans until the guideline is met. The guidelines should normally be met within five years of the guideline being set. Further details of the share ownership guidelines and the post-cessation shareholding guidelines are set out in the Directors' Remuneration report.	500% of salary for the CEO. 300% of salary for the CFO.	n/a
Post-cessation of employment shareholding	To ensure alignment of sustainable performance between executives and shareholders.	Holding and vesting periods for all share awards will be adhered to post-employment.	Executive Directors are required to hold shares equivalent to the lower of (i) their share ownership guidelines or (ii) their actual shareholding for two years post-employment.	n/a
Non-Executive Directors' fees	To attract and retain high-calibre Non-Executive Directors through the provision of market-competitive fees.	A proportion of the fees (at least 50%) are paid in cash, with the remainder used to purchase shares. Fees are primarily determined based on the responsibility and time committed to the Group's affairs and appropriate market comparisons. The Chair receives an all-inclusive fee. Non-Executive Directors receive a base fee and further fees for additional Board responsibilities. Additional fees may be paid in the exceptional event that Non-Executive Directors are required to commit substantial additional time above that normally expected for the role. With the exception of benefits in kind arising from the performance of duties (and any tax due on those benefits which is reimbursed by the Company), no other benefits are provided.	As for the Executive Directors, there is no prescribed maximum annual increase. The Committee is guided by the general increase for the employee population but in exceptional circumstances may need to recognise other factors including, but not limited to, change in responsibility and/or variance to market levels of remuneration.	n/a

Selection of performance metrics

The annual incentive plan is based on performance against a mix of financial and non-financial measures. The mix of financial measures is aligned to the Group's key performance indicators ('KPIs') and is reviewed each year by the Remuneration Committee to ensure that they remain appropriate to reflect the priorities for the business in the year ahead. The targets are set for each KPI to encourage continuous improvement and challenge the delivery of stretch performance.

The 2024 LTIP award is based on earnings per share growth, return on invested capital and adjusted free cash flow. The performance metrics align with Intertek's earnings model which supports delivery of the Company's AAA growth strategy, which aims to move the centre of gravity of the Company towards high-growth, high-margin areas in our industry. Earnings per share ensures that there is a clear focus on margin-accretive revenue growth, adjusted free cash flow ensures focus on strong cash management, and return on invested capital ensures a focus on disciplined capital management.

A sliding scale of challenging performance targets is set for each measure. The Committee reviews the choice of performance measures and the appropriateness of the performance targets prior to each LTIP grant. The Committee reserves the discretion to set different targets for future awards, without consulting with shareholders. When setting the targets for the annual incentive and the LTIP, the Committee takes into account a range of factors, including the business plan, prior-year performance, market conditions and consensus forecasts.

Terms of incentive awards

Deferred Share awards and LTIP awards may include the right to receive (in cash or shares) the value of the dividends that would have been paid on the shares that vest up to the time of vesting (or for LTIP awards, up to the end of the relevant holding period). The Committee's intention is that such dividends would normally be settled in shares.

The Committee will operate the annual incentive plan and LTIP according to the respective rules of the plans. The Committee will retain flexibility in a number of areas regarding the operation and administration of these plans, including (but not limited to) the following:

- how to deal with a change of control or restructuring of the Group, a demerger or similar event (including how to assess performance conditions and whether to time pro-rate awards);
- and how and whether any award may be adjusted in certain circumstances (including in the event of a variation of share capital, demerger, special dividend, or similar event).

The Committee also retains the discretion within the Remuneration Policy to adjust targets and/or set different measures and weightings if it considers it required so that the targets or conditions achieve their original purpose. Revised targets/measures will be, in the opinion of the Committee, no less difficult to satisfy than the original conditions. The Committee may accelerate the vesting and/or the release of awards if an Executive Director moves jurisdictions following grant and there would be greater tax or regulatory burdens on the award in the new jurisdiction.

Remuneration scenarios for Executive Directors

The chart on the next page illustrates how the Executive Directors' remuneration packages vary at different levels of performance under the Policy which will apply in 2024 for both the Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO').

Approach to recruitment and promotions

The remuneration package for a new Executive Director – base salary, benefits, pension, annual incentive and long-term incentive awards – would be set in accordance with the terms of the Company's prevailing approved Remuneration Policy at the time of appointment. The Committee may set the base salary at a value to reflect the calibre, experience and earnings potential of a candidate, subject to the Committee's judgement that the level of remuneration is in the Company's best interest.

The maximum level of variable pay (annual incentive and long-term incentive awards, or any combination thereof) which may be awarded to a new Executive Director at or shortly following recruitment shall be limited to 500% of salary. These limits exclude buy-out awards and are in line with the Remuneration Policy for Directors set out previously.

The Committee may offer additional cash and/or share-based elements to take account of remuneration relinquished when leaving the former employer when it considers these buy-outs to be in the best interests of the Company (and therefore shareholders).

Any such awards would reflect the nature, time horizons and performance requirements attaching to the remuneration it is intended to replace, where appropriate, the Committee retains the flexibility to utilise Listing Rule 9.4.2 for the purpose of making an award to buy-out remuneration relinquished when leaving the former employer. For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses and continuing allowances as appropriate. Additionally, in the case of any Executive Director being recruited from overseas, or being recruited by the Company to relocate overseas to perform their duties, the Committee may offer expatriate benefits on an ongoing basis subject to the aggregate value to the individual not exceeding 50% of salary per annum.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue. If a new Chair or Non-Executive Director is appointed, remuneration arrangements will be in line with those detailed in the Remuneration Policy for Non-Executive Directors set out in the Remuneration Policy for Directors.

Service contracts for Executive Directors

The service agreements of the Executive Directors are not fixed term and are terminable by either the Company or the Director on 12 months' notice and make provision at the Board's discretion, for early termination by way of payment of salary and pension contributions in lieu of 12 months' notice. In calculating the amount payable to a Director on termination of employment, the Board would take into account the commercial interests of the Company and apply usual common law and contractual principles. Any payments in lieu of notice may be paid in lump sum or may be paid in instalments and reduce if the Director finds alternative employment. The service contracts are available for inspection at the Company's registered office. The Committee reviews the contractual terms for new Executive Directors to ensure these reflect best practice.

In summary, the contractual provisions are:

Provision	Detailed terms
Notice period	12 months
Common law and contractual principles	Common law and contractual principles apply
Remuneration entitlements	An incentive may be payable (pro rata where relevant) and outstanding Share Awards may vest (see page 85)
Change of control	No Executive Director's contract contains provisions or additional payments in respect of change of control. The treatment of annual incentive awards and outstanding Share Awards will be treated in line with the relevant plan rules

There is no automatic entitlement to an annual incentive award in the year of cessation of employment. The Committee may determine, however, that for certain 'leavers' an annual incentive award may be payable with respect to the period of the financial year served.

Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules.

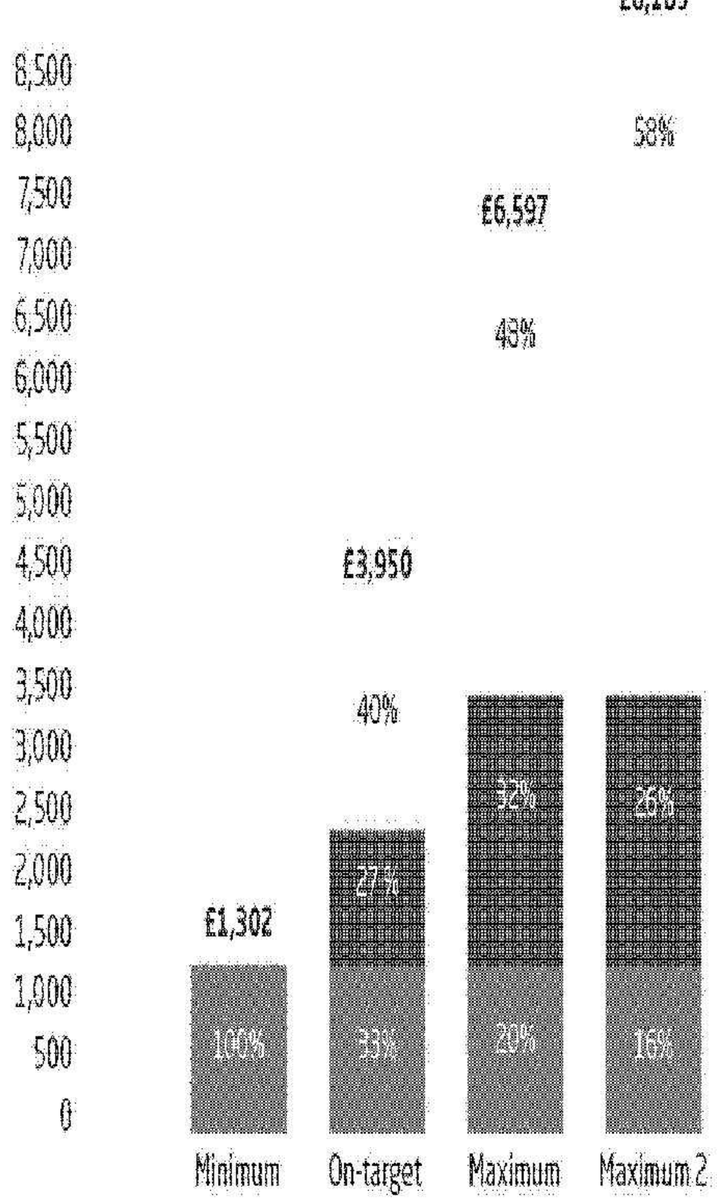
The default treatment under the 2021 LTIP, and previously under the 2011 LTIP, is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, ill-health, injury, disability or other circumstances at the discretion of the Committee, 'good leaver' status may be applied.

For good leavers, Deferred Share awards will vest in full on the original vesting date (as permitted under the plan rules), unless the Remuneration Committee determines that awards should vest at an earlier date. LTIP awards will normally vest on the original vesting date (they will normally, where appropriate, be subject to any holding period) and subject to the satisfaction of the relevant performance conditions at that time and reduced pro rata to reflect the proportion of the performance period actually served. However, the Committee has discretion to determine that awards vest at an earlier date and/or to disapply time pro-rating, although it is envisaged that this would only be applied in exceptional circumstances (for example, death). Any such instances, where discretion is applied by the Committee in relation to Executive Directors, will be disclosed in the following Annual Report on Remuneration.

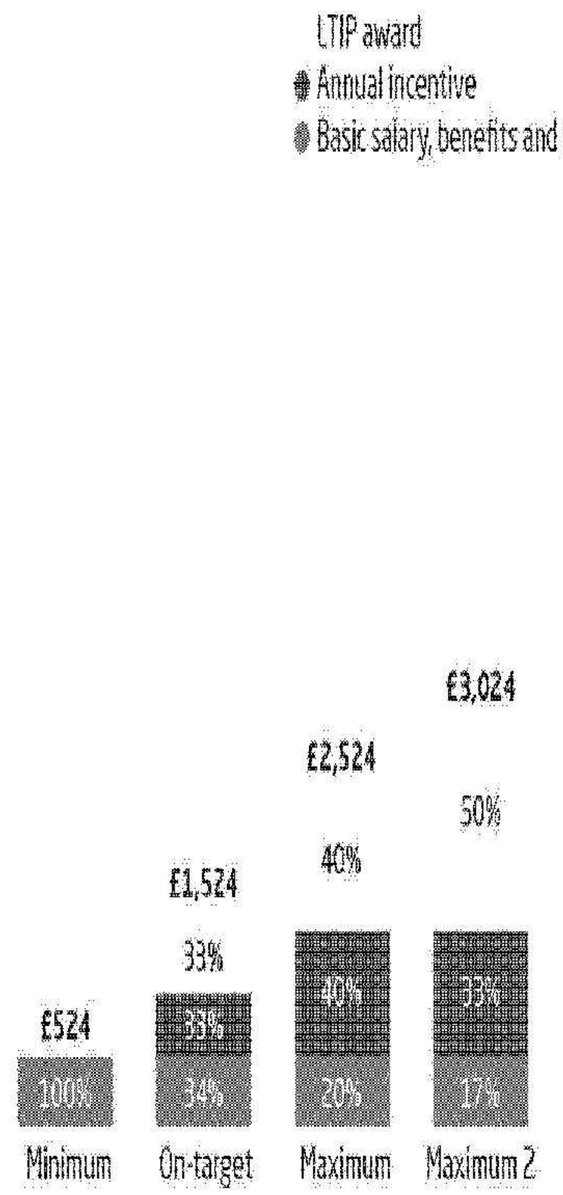
In determining whether an Executive Director should be treated as a good leaver or not, the Committee will take into account the reasons for their departure.

The Committee reserves the right to make any other payments (including appropriate legal fees) in connection with an Executive Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of that obligation) or by way of settlement of any claim arising in contravention with the cessation of an Executive Director's office or employment.

Value of remuneration packages at different levels of performance



A Lacroix, Chief Executive Officer



C Deasy, Chief Financial Officer

Points relating to the above table:

1. Salary levels are based on those applying on 1 April 2024.
2. The value of taxable benefits is based on the cost of supplying those benefits (as disclosed) for the year ended 31 December 2023.
3. The value of pension receivable in 2024 by the CEO is taken to be 15% of salary until 12 June 2024 and 10% thereafter, and for the CFO taken to be 3% of salary.
4. The on-target level of annual incentive is taken to be 50% of the maximum opportunity.
5. The on-target level of the LTIP is taken to be 50% of the face value of the award at grant.
6. Share price movement and dividend accruals have not been incorporated into the first three scenarios. Share price growth of 50% has been assumed on the LTIP in the 'Maximum 2' scenario.

Letters of appointment for Non-Executive Directors

The letter of appointment for each Non-Executive Director states that they are appointed for an initial period of three years and all appointments are terminable by one month's notice on either side. At the end of the initial period and after rigorous review, the appointment may be renewed for a further period, usually three years, if the Company and the Director agree and subject to annual re-election at the AGM. Each letter of appointment states that if the Company were to terminate the appointment, the Director would not be entitled to any compensation for loss of office.

The table below sets out the terms for all the current Non-Executive Directors of the Board.

	Date of appointment	Notice period/Unexpired term as at 31 December 2023
Andrew Martin	26 May 2016 becoming Chair on 1 January 2021 Reappointed: 26 May 2022	One month/17 months
Graham Allan	1 October 2017 Reappointed: 1 October 2023	One month/33 months
Gurnek Bains	1 July 2017 Reappointed: 1 July 2023	One month/30 months
Lynda Clarizio	1 March 2021	One month/2 months
Tamara Ingram	18 December 2020 Reappointed: 18 December 2023	One month/35 months
Jez Maiden	26 May 2022	One month/17 months
Kawal Preet	31 December 2022	One month/24 months
Gill Rider	1 July 2015 Reappointed: 1 July 2021	One month/5 months
Apurvi Sheth	1 September 2023	One month/32 months
Jean-Michel Valette	1 July 2017 Reappointed: 1 July 2023	One month/30 months

Consideration of employment conditions elsewhere within the Group

When setting the Remuneration Policy for Executive Directors the Remuneration Committee takes into account the pay and employment conditions elsewhere within the Group, when considering the remuneration arrangements for the Executive Directors for the year ahead, the Committee is informed of salary increases across the wider Group. The Committee also approves the overall reward strategy in operation across the Group.

The remuneration strategy set out at the beginning of the Directors' Remuneration Policy report reflects the strategy in place across the Group for all employees. Although this remuneration strategy applies across the Group, given the size of the Group and the geographical spread of its operations, the way in which the Remuneration Policy is implemented varies across the Group. For example, annual incentive deferral applies at the more senior levels within the Group and participation in the LTIP is at the Remuneration Committee's discretion and is typically limited to senior executives employed within the Group.

Given the geographical spread of the Group's operations, the Remuneration Committee does not consider it appropriate to consult employees on the Remuneration Policy in operation for Executive Directors.

Consideration of shareholder views

The Committee values the opportunity to engage in meaningful dialogue with its investors. Over the last few years the Committee has consulted extensively with the major shareholders on points relating to the Remuneration Policy.

Legacy arrangements

The approved Directors' Remuneration Policy and that which is to be presented to the 2024 AGM provide authority to the Company to honour any commitments entered into with current or former Directors such as the vesting of outstanding share awards (including exercising any discretions available to it in connection with such commitments) that were agreed:

(i) before the policy set out above, or any previous policy, came into effect;

(ii) at a time when a previous policy approved by shareholders was in place provided that the payment is in line with the terms of that policy; and

(iii) at a time when the relevant individual was not a Director of the Company and the payment was not in consideration for the individual becoming a Director of the Company.

Annual Report on Remuneration

Committee membership and meeting attendance

Committee members	Scheduled meetings eligible to attend	Meetings attended
Gill Rider (Chair)	4	4
Graham Allan	4	4
Gurnek Bains	4	4
Tamara Ingram	4	3[1]

1. Tamara Ingram gave apologies for one meeting to attend a funeral.

Throughout 2023 and at all times the composition of the Committee was compliant with the Code. All members are independent Non-Executive Directors. Prior to joining Intertek in July 2015, Gill had been Chair of the Remuneration Committee at Charles Taylor plc. This enabled the Nomination Committee to recommend her appointment as Chair of the Committee which was then approved by the Board.

On appointment, new Committee members receive an appropriate induction consisting of meetings with senior personnel, advisers and as appropriate, meetings with shareholders and other relevant stakeholders. They also review the Terms of Reference, previous Committee meeting papers and minutes.

The Committee invites the Chair, CEO and the SVP, Human Resources to attend meetings when it deems appropriate, except when their own remuneration is discussed. No Director is involved in determining his or her own remuneration. None of the Committee members has had any personal financial interest, except as shareholders, in the decisions made by the Committee. The Group Company Secretary acts as Secretary to the Committee.

Committee responsibilities and how we met them in the year

We have specific responsibilities delegated to us by the Board and the full Terms of Reference of the Committee, which are reviewed annually, can be found on our website at intertek.com.

Matters delegated to the Committee	Code provision
Determines the Company's policy on remuneration for the Executive Directors and senior executive management.	33, 36-40
Determines the remuneration for the above and the Chair, including any compensation on termination of office.	33
Reviews the remuneration arrangements for the wider employee population and considers issues relating to remuneration that may have a significant impact on the Group.	33
Provides advice to, and consults with, the CEO on major policy issues affecting the remuneration of other executives.	33
Responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.	35
Keeps the Remuneration Policy under review in light of regulatory and best practice developments and shareholder expectations and ensures that the Remuneration Policy is voted on at least every third year. Due regard is given to the interests of shareholders and the requirements of the Listing Rules and associated guidance.	36-40
Ensures each year that the Annual Directors' Report on Remuneration is put to shareholders for approval at the AGM and includes a description of the work of the Committee.	41

Executive Director remuneration

We are responsible for determining the Company's policy on the remuneration of the Chair, the Executive Directors and senior executive management. We also determine their remuneration packages, including any compensation on termination of office and review to ensure their alignment with our culture and with those of the workforce as a whole.

In the year we addressed this by reviewing and agreeing the remuneration of the Executive Directors as well as the Group Executive Committee. We received advice from Deloitte LLP ("Deloitte") to inform our discussions.

Wider workforce remuneration and engagement

We also review the remuneration and related policies of the wider workforce to ensure that incentives and rewards align to our Purpose, Values and culture. As part of this we receive information on our salary increases, the design of the bonus and targets and on the 2021 Long Term Incentive Plan and performance criteria. This is used to inform decisions when setting the policy for Executive Director remuneration and for which we consult with, or provide advice to, the CEO on major policy issues affecting the remuneration of other executives.

The remuneration framework and the incentive structure that we have in place cascades right down through the wider workforce and ensures alignment with executive remuneration and the Intertek AAA growth strategy. We also took into account the UK wider workforce salary increase when determining the 2024 salary increase for the Executive Directors.

We ensure that we have effective engagement with the wider workforce on the Group's remuneration and related policies through various escalation processes and communication forums including Town Halls, What's In emails and leadership briefings. The regular Town Halls that take place across the Group provide an opportunity for our people to raise questions on remuneration which are addressed at the meetings, with feedback directly fed to senior management and then upwards.

During the year, we reviewed the salary levels for senior management and the determination of the annual incentive payments and long-term incentive outcome for 2023. We considered a report on the general market trends that could impact the Group. Further information is provided in the letter from the Chair of the Committee on pages 78-80.

Remuneration Policy and report

It is important that we keep the Remuneration Policy under review in light of regulatory and best practice developments, Listing Rules and Governance Code changes as well as shareholder expectations.

We annually undertake a review of the Directors' Remuneration report to ensure compliance with the Remuneration Reporting Regulations. We also discussed the 2023 proxy voting agencies' reports and their recommendations issued prior to the 2023 AGM.

Incentives

A key task for us each year is to review the outcomes for the incentive schemes and agree on payment levels taking into account actual performance and any extraordinary events which may have impacted on performance. We will consider if there is a need to apply malus or clawback and, should there be, we would agree the quantum.

We undertook, with external advice, a thorough review of the 2023 annual incentive targets, performance measures and the EPS, adjusted free cash flow and ROIC results to determine the percentage of incentive awards that would vest in 2023 which was 66.67%.

We also agreed the performance conditions that should apply to the LTIP awards granted in the year to vest based on the performance to the end of 2026. We reviewed the quantum of awards given and were satisfied that they reflected the Remuneration Policy and were appropriate.

Committee review

We undertake an annual review of how effectively we are working as a committee and take steps to develop any areas identified for improvement.

We also reviewed how we work as a committee, members' individual strengths and also any additional training that may be beneficial. We received updates on market trends in remuneration from the office and regular updates on corporate governance and policy changes.

Advisers

To ensure that the Group's remuneration practices drive and support achievement of strategies and are market competitive, the Committee obtains advice from various independent sources.

We review the appointment of the remuneration consultant and consider if they remain independent and applicable for the needs of the Committee. In the event that we decide that they are no longer appropriate, we would arrange a review and any subsequent appointment.

In 2023, the Committee received advice from Deloitte, who they appointed in 2015 for their particular expertise both at a local and global level, due to the worldwide operations of the Group and, following review, the Committee remains satisfied that their advice is objective and independent and has sufficient breadth of knowledge to support our deliberations across the Group as a whole. Deloitte are members of the Remuneration Consultants Group and adhere to the voluntary Code of Conduct in relation to executive remuneration consulting in the UK.

The fees paid to Deloitte in the year were £74,458 exclusive of VAT. The charges for services are calculated on the basis of time spent and the seniority of the personnel performing the work at their respective rates.

In addition to the services provided to the Committee, Deloitte provided unrelated tax services to the Group during the year. Deloitte do not have any connection with any Directors of the Company.

External appointments

The Company recognises that, during their employment with the Company, Executive Directors may be invited to become Non-Executive Directors of other companies and that such duties can broaden their experience and knowledge. Executive Directors may, with the written consent of the Company, accept such appointments outside the Company, and the policy is that any fees may be retained by the Director. No Executive Director currently has an external appointment.

Statement of shareholder voting

At the AGM held on 26 May 2022, a resolution was proposed to shareholders to approve the Remuneration Policy. This resolution received the following votes from shareholders:

	Votes	%
In favour	91,627,222	68.74
Against	41,668,760	31.26
Total	133,295,982	82.59
Withheld	2,451,499	

1. Percentage of total issued share capital voted.

At the 2023 AGM, a resolution was proposed to shareholders to approve the Directors' Remuneration Report for the year ended 31 December 2022. This resolution received the following votes from shareholders:

	Votes	%
In favour	122,439,715	91.43
Against	11,482,090	8.57
Total	133,921,805	82.99
Withheld	2,065,053	

1. Percentage of total issued share capital voted.

Directors' Remuneration Policy - implementation in 2024

Elements	Implementation in 2024
Base salary	Base salary for 2024 André Lacroix: £1,058,616. Colin Deasy: £580,000. The Committee has awarded the CEO a 3.0% salary increase, which is below the wider UK workforce yearly increase of 3.4%. Further context on the increase in the CFO's salary are set out in the Chair's cover statement.
Benefits	Includes, for example, annual medicals, life assurance cover of up to six times base salary, allowances in lieu of a company car or other benefits, private medical insurance and other benefits typically provided to senior executives. Executive Directors can participate in any all-employee share plans operated by the Company on the same basis as for other employees. Total value of benefits (excluding all-employee plans) will not exceed 12% of salary.
Pension	From 1 June 2024, 10% reducing by 5% each year until it is in line with the wider UK workforce (currently 5% of salary) for the CEO. 5% of base salary for the CFO.
Annual Incentive Plan ('AIP')	• Maximum opportunity for the CEO and CFO: 200% of base salary. • 50% of any incentive is paid in cash and 50% is deferred into shares vesting after three years. • Malus and clawback provisions apply. • Performance metrics - based on a 70% matrix of revenue and adjusted operating profit growth, 15% ROIC and 15% ESG, based on Carbon Emissions. Targets are not disclosed prospectively due to commercial sensitivity, however, detailed disclosure of the performance targets and actual outturns will be provided in the following year. • Annual incentive will continue to be subject to a quality of earnings review at the end of the year to ensure that payouts are appropriate based on the underlying performance of the Group and to ensure that any awards are commensurate with the Group's culture and values.
Long Term Incentive Plan ('LTIP')	As set out in the table below, the ROIC targets are set taking into account the stretch within the business plan and current ROIC performance. The change in the target range relative to prior years reflects the level of invested capital at work within the business, which has increased in recent years through the Group's strategy of making bolt-on acquisitions which complement the Group's business (including the 2023 acquisition of Concirrus, Analytico and Playerlync). The Committee believes that the proposed target range for ROIC and the wider financial metrics in the LTIP are appropriately stretching relative to the business plan and external forecasts of performance. • Maximum opportunity for the CEO and CFO: 300% and 200% of base salary, respectively. • Two-year holding period after vesting. • Malus and clawback provisions apply. • Performance metrics for awards being granted in 2024

Measures	Definition	Threshold (25%)	Maximum (100%)	Commentary
Earnings Per Share ('EPS') (1/3)	Annualised fully diluted adjusted EPS growth. Measured on a constant currency basis. Per the definition used for the Group's KPIs in Book one, page 26.	4.0% p.a.	10% p.a.	Compound annual growth rate targets.

Elements	Implementation in 2024				
	Measures	Definition	Threshold (25%)	Maximum (100%)	Commentary
	Adjusted Free Cash Flow (1/3)	Free cash flow generated from operations less net capital expenditure, net interest paid and income tax paid. Adjusted for separately disclosed items. Measured on a constant currency basis. Per the definition used in Book one, page 26.	£1,210m	£1,290m	Cumulative targets measured over three years. Targets set taking into account stretch within business plan and expected capital expenditure over the coming three years.
	Return on Invested Capital (ROIC) (1/3)	Adjusted operating profits less adjusted tax divided by invested capital (net assets excluding tax balances, net financial debt and net pension liabilities). Measured on a constant currency basis. Per the definition used for the Group's KPIs in Book one, page 26.	18.6%	22.6%	Cumulative adjusted operating profits divided by cumulative invested capital in each of the three performance years. Target set taking into account stretch within business plan, current ROIC performance, and reflective of the Group's strategy of making small bolt-on acquisitions which complement the Group's business. The treatment of significant acquisitions would be determined at the time of the transaction.
Share ownership guidelines	Shareholding guidelines are 500% of salary for the CEO and 300% of salary for the CFO. A post-cessation holding equivalent to the lower of the guideline target or the number of shares held at the date of departure will be required to be held for a period of two years from the Executive's departure date.				

Non-Executive Directors' fees

Fees for the Non-Executive Directors are determined by the Board, based on the responsibility and time committed to the Group's affairs and appropriate market comparisons. Individual Non-Executive Directors do not take part in discussions regarding their own fees.

Board membership	From 1 January 2024 £'000	From 1 January 2023 £'000
Chair	350	350
Non-Executive Director	62	62
Senior Independent Non-Executive Director	12	12
Chair Audit Committee	20	20
Chair Remuneration Committee	15	15
Chair Nomination Committee	-	-
Member Audit Committee	10	10
Member Remuneration Committee	10	10
Member Nomination Committee	5	5

Included in the fees shown in the table above, and pursuant to the policy of aligning Directors' interests with those of shareholders, £10,000 of the fees paid to the Non-Executive Directors and £25,000 of the fees paid to the Chair are used each year to purchase shares in the Company.

Remuneration in context

The following section sets out how the Remuneration Committee has addressed the factors in Provision 40, when determining Executive remuneration as set out in the 2018 UK Corporate Governance Code.

Code requirement	Intertek approach
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce	Variable remuneration arrangements, which are cascaded throughout the workforce, are based on clearly defined performance metrics which are aligned with the Group's AAA differentiated growth strategy for sustainable long-term growth.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand	Remuneration arrangements are simple, comprising the following key elements, which are consistent from Executive Directors to front line workforce where appropriate: • Fixed element: comprises base salary, benefits and pension, which are aligned to that offered to the majority of the workforce. • Short-term incentive: annual bonus which incentivises the delivery of financial and non-financial performance metrics linked to ESG. Half of the bonus is paid in cash with the balance deferred into shares vesting after a period of three years. • Long-term incentive: LTIP which incentivises financial performance over a three-year period, promoting long-term sustainable value creation for shareholders. Awards are subject to a two-year holding period post-vesting.
Risk Remuneration structures should ensure the reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated	Performance targets are calibrated to be aligned with the Group's business plan which is set in line with the Group's risk framework. The Remuneration Committee retains the flexibility to review formulaic outcomes to ensure that they are appropriate in the context of overall performance of the Group, including risk.
Predictability The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy	The remuneration scenario charts, set out on page 85, provide estimates on the potential future reward opportunity in a range of scenarios, including below threshold, target and maximum performance (including share price appreciation).
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear and outcomes should not reward poor performance	Variable remuneration is directly aligned to the Group's strategic priorities through the selection of key financial performance metrics, with payments calibrated to ensure that payments are only made where strong performance is delivered. As noted above, the Remuneration Committee retains the flexibility to review formulaic outcomes to ensure that they are appropriate in the context of the overall performance of the Group.
Alignment with culture Incentive schemes should drive behaviours consistent with the Company's Purpose, Values and strategy	As set out on page 80, the Remuneration Policy at Intertek has been set to be appropriate for the nature, size and complexity of the Group, encourages our employees in the development of their careers, is aligned with the Company's strategy and is in the best interests of the Company and its stakeholders. It is directed to deliver continued sustainable profitable growth. Our remuneration strategy is to align and recognise the individual's contribution to help us succeed in achieving our AAA differentiated growth strategy, attract, engage, motivate and retain the best available people by positioning total pay and benefits to be competitive in the relevant market and in line with the ability of the business to pay, reward people equitably for the size of their responsibilities and performance, and motivate high performers to increase shareholder value and share in the Group's success through well designed and appropriately calibrated incentive schemes.

The sections that have been audited are indicated as such on pages 82-101. The independent auditors' report can be found in Book three, pages 57-63.

Directors' remuneration earned in 2023 (audited)

The table below and on the following page summarise Directors' remuneration received for 2023 and the prior year for comparison. Taken in the context of internal and external comparators, the Committee considers the Executive Directors' remuneration to be appropriate.

Executive Directors		Base salary or fees £'000	Benefits[1] £'000	Annual incentive[2] £'000	Long-term incentives £'000	Pension[5] £'000	Total £'000	Total fixed £'000	Total variable £'000
André Lacroix	**2023**	**1,023**	**120**	**1,417**	**2,353[3]**	**175**	**5,088**	**1,318**	**3,770**
	2022	1,006	121	415	1,320[4]	221	3,083	1,345	1,738
Colin Day	**2023[6]**	**338**	**16**	**466**	**-**	**15**	**835**	**369**	**466**
Jonathan Timmis	**2023[7,8]**	**110**	**10**	**154**	**513[3]**	**6**	**793**	**126**	**667**
	2022	555	32	220	n/a[4]	27	812	592	220

1. Benefits include allowances in lieu of company car, annual medical, life assurance, private medical insurance, BUPA subscription, the use of a car and chauffeur for the CEO (gross £27,392, net £15,341).
2. This relates to the payment of the annual incentive and Deferred Share Awards for the financial year end. Further details of this payment are set out on the following pages.
3. This relates to the 2021 LTIP award due to vest in March 2024. The value shown is based on the share price of £40.12 which was the average mid-market share price in the fourth quarter of 2023. Further details on performance are set out on page 95. There was no discount exercised in respect of the awards.
4. This relates to the 2020 LTIP award which vested in March 2023 where the performance outcome gave rise to 66.6% vesting. This figure has been updated to show the actual value of the vested LTIP award based on the share price of £41.85 which is the 2022 Annual Report includes figures based on the share price for the final quarter of 2022 (£38.94). There was no discount exercised in respect of the awards.
5. None of the Executive Directors had a prospective entitlement to a defined benefit pension.
6. This relates to the period from 17 March 2023 when Colin Day was appointed as a director.
7. This relates to the period to 27 March 2023 when Jonathan Timmis ceased to be a director.
8. Information in respect of Jonathan Timmis' Payout Awards can be found on page 99.

Non-Executive Directors		Base salary or fees[1] £'000	Benefits[2] £'000	Total £'000
Andrew Martin	**2023**	**350**	**9**	**359**
	2022	350	10	360
Graham Allan	**2023**	**89**	**-**	**89**
	2022	89	-	89
Gurnek Bains	**2023**	**77**	**-**	**77**
	2022	77	-	77
Lynda Clarizio	**2023**	**72**	**5**	**77**
	2022	72	5	77
Tamara Ingram	**2023**	**77**	**-**	**77**
	2022	75	-	75
Jez Maiden	**2023**	**72**	**2**	**74**
	2022[3]	37	3	40
Kewal Preet	**2023**	**62**	**5**	**67**
	2022[4]	-	-	-
Gill Rider	**2023**	**87**	**1**	**88**
	2022	87	1	88
Aparvi Sheth	**2023[5]**	**17**	**1**	**18**
Jean-Michel Valette	**2023**	**82**	**4**	**86**
	2022	82	4	86

1. Pursuant to the policy of aligning Directors' interests with those of shareholders, the fees shown are before the Non-Executive Director's include £10,000 used to purchase shares and are before tax. Gail includes £55,000 used to purchase shares.
2. Certain expenses relating to ensuring that the Directors were in a position to undertake the performance of their duties such as travel to and from Company meetings, related accommodation and completion of UK tax returns for overseas Directors have been classified as taxable. In such cases, the Company will ensure that the Directors are not out of pocket by settling the related tax via the PSA. In line with current regulations, these taxable benefits have been disclosed and are shown in the Benefits column and the figures shown are the cost of the taxable benefit. With respect to the Non-Executive Directors no other benefits are provided.
3. The fees shown for Jez Maiden relate to the period from 26 May 2022, the date he was appointed to the Board.
4. The fees shown for Kewal Preet relate to the period from 31 December 2022, the date he was appointed to the Board.
5. The fees shown for Aparvi Sheth relate to the period from 21 September 2023, the date she was appointed to the Board.

Annual incentive (audited)

The annual incentive for 2023 was

- 70% based on a matrix of revenue and adjusted operating profit growth
- 15% based on return on invested capital ("ROIC") and
- 15% based on a Carbon Emissions target.

Overview of the matrix (70% of the award)

		Adjusted operating profit performance (£m)			
		Below threshold	Threshold	Target	Maximum
Revenue performance (£m)	Maximum	0%	40%	65%	100%
	Target	0%	30%	50%	75%
	Threshold	0%	25%	35%	50%
	Below threshold	0%	0%	0%	0%

Straight-line payouts occur between each of the points above threshold noted above.

The Company's performance resulted in a Group annual incentive payout of 68.94% of maximum opportunity. Performance of individual components is shown below.

2023 Company performance against annual incentive targets (at 2022 constant currency)

Financial measures	% Weighting	2023 Threshold	2023 Target[1]	2023 Maximum	2023 Actual	Achieved[2]	Weighted achievement
Total external revenue[1]		£3,245.6m	£3,352.5m	£3,459.4m	**£3,434.8m**		
Adjusted operating profit[1,3]		£538.2m	£559.9m	£586.6m	**£563.7m**		
Revenue/profit matrix	70.0%					66.34%	46.44%
Return on Invested Capital[4,6]	15.0%	18.0%	19.2%	20.4%	**20.6%**	100.00%	15.00%
Carbon Emissions[5,6,7]	15.0%	202,743	198,768	194,792	**184,612**	50.00%[8]	7.50%
Total	**100.0%**						**68.94%**

1. Calculated on constant 2022 exchange rates and Adjusted operating profit excludes certain non-budgeted non-recurring items and separately disclosed items
2. Target is achievement to 50% payout.
3. Percentage achieved against maximum targets
4. Return on Invested Capital as per definition used for the Group's KPIs in Book one, page 26.
5. Operational market-based emissions in tonnes of carbon dioxide equivalent (tCO2e) as defined in Book one page 29
6. Performance at threshold levels generates 25% outcome for both ROIC and Carbon Emissions
7. EY have issued an assurance statement in respect of Carbon Emissions disclosure that can be found on page 30
8. As set out in the chair statement from the Committee Chair, the Group exceeded the targets set on carbon emissions. Taking into account that a proportion of over-performance on carbon emissions metric was driven through accelerated capex investments, the Committee, on recommendation from the Management, scored the metric at target.

For 2023, the annual incentive outcome in cash and shares is as follows:

	Payable in cash £'000	Deferred Share Award[1] £'000	Percentage of maximum %
André Lacroix	706.5	706.5	66.9
Colm Deasy	283.0	283.0	66.9
Jonathan Timmis	771	771	66.9

1. These awards vest three years after the date of grant, subject to continued employment or good leaver status. The deferred award is based on 50% of the annual incentive outcome.

Vesting of LTIP Share Awards (audited)

The LTIP Share Awards granted in 2021 are subject to performance for the three-year period ended 31 December 2023.

The performance conditions attached to this award and actual performance against these conditions are as follows:

Metric	Performance condition	Threshold target[1]	Stretch target[1]	Actual performance	Vesting level
Earnings Per Share ('EPS')	Annualised fully diluted adjusted EPS growth measured on a constant currency basis.	4.3%	10.0%	12.5%	100%
Adjusted Free Cash Flow ('FCF')	Free cash flow generated from operations less net capital expenditure, net interest paid and income tax paid. Adjusted for separately disclosed items. Measured on a constant currency basis.	£977m	£1,057m	£1,251m	100%
Return on Invested Capital ('ROIC')	Adjusted operating profits less adjusted tax, divided by invested capital (net assets excluding tax balances, net financial debt and net pension liabilities). Measured on a constant currency basis.	23.2%	24.0%	26.7%	100%
Total vesting					**100%**

1. 25% of the LTIP share awards will vest at the threshold target and 100% will pay out at the stretch target.

The LTIP Share Awards granted in 2021 to the Executive Directors were as follows:

Executive Director	Number of shares at grant	Number of shares based on accrued dividends	Total number of shares	Number of shares to lapse	Number of shares to vest	Value of vested shares £'000[1]
André Lacroix	54,767	3,886	58,653	–	58,653	2,353
Colm Deasy[2]	–	–	–	–	–	–
Jonathan Timmis[3]	18,713	1,155	12,302[4]	–	12,802	513
Total	**73,480**	**5,041**	**71,455**	**–**	**71,455**	**2,866**

1. The value of shares vested is calculated using the average mid-market share price in the fourth quarter of 2023 which was £40.11.
2. Appointed as a Director on 17 March 2023.
3. Appointed as a Director on 1 April 2021, ceased to be a Director on 17 March 2023.
4. Vesting number reduced by 7,365 shares which lapsed under pre-agreed notice of leaving.

The Committee considered the LTIP out-turns in the context of the underlying financial performance of the Group and determined it was appropriate not to exercise its discretion. There was no share appreciation on the shares which vested below their award price.

LTIP Share Awards granted during the year (audited)

The following LTIP Share Awards were granted to the Executive Directors during 2023:

Executive Director	Type of award	Date of award	Basis of award granted	Award price £	Number of shares over which award was granted	Face value of award £'000	% of face value that would vest at threshold performance	Vesting determined by performance over
André Lacroix	LTIP Share Award	13 March 2023	300% of salary	41.922	72,127	3,024	25%	Three years to 31 December 2025
Colm Deasy[1]	LTIP Share Award	13 March 2023	200% of salary	41.922	4,551	195	25%	
	LTIP Share Award	5 June 2023	200% of salary	42.234	15,506	655	25%	
Jonathan Timmis[2]	LTIP Share Award	13 March 2023	200% of salary	41.922	25,547	1,071	25%	

1. Appointed as a Director on 17 March 2023.
2. Jonathan Timmis was granted an LTIP Share Award on 13 March 2023. This award lapsed in full.

The LTIP Share Awards granted in 2023 are conditional share awards subject to performance for the three-year period ending 31 December 2025. Shares are granted at the average of the mid-market quotation price for the five days up to and including the day immediately before grant.

The performance conditions attached to this award and the targets are as follows:

Metric	Performance condition	Threshold target	Maximum target
Earnings Per Share (1/3)	Annualised fully diluted, adjusted EPS growth over a three year performance period, calculated on a constant currency basis and per the EPS definition used for the Group's KPIs in the 2023 Annual Report and Accounts.	4%	10%
Return on Invested Capital (1/3)	Adjusted operating profit less adjusted tax over the three-year period. Invested capital will be the total of the year end invested capital base in each of the three years of the ROIC calculation period (2025 to 2025).	15.3%	19.3%
Adjusted Free Cash Flow (1/3)	Free cash flow is the cash generated from operations less net capital expenditure, net interest paid and income tax paid. Adjusted free cash flow adds back the cash outflow associated with SDIs. This approach is consistent with the definition in the 2023 Annual Report and Accounts.	£1,109m	£1,186m

Deferred Share Awards granted during the year (audited)

Executive Director	Type of award	Date of award	Basis of award granted	Award price £	Number of shares over which award was granted	Face value of award £'000	Vesting date[1]
André Lacroix	Deferred Share Award	13 March 2023	Deferral of 2022 bonus	41.922	4,947	207	13 March 2026
Colm Deasy	Deferred Share Award	13 March 2023	Deferral of 2022 bonus	41.922	1,581	66	13 March 2026
Jonathan Timmis	Deferred Share Award	13 March 2023	Deferral of 2022 bonus	41.922	2,628	110	13 March 2026

1. Vesting date subject to continued employment or good leaver status.

Share Plan Awards (audited)

The table below shows the Directors' interests in the Intertek Share Plans, all of which are restricted stock units ("RSUs").

	Type of Award	31 December 2022 Number of shares	Granted in 2023 Number of shares	Award price[1] £	Dividend accrued in 2023	Vested in 2023 Number of shares	Lapsed in 2023 Number of shares	31 December 2023 Number of shares	Date of vesting
André Lacroix									
2020	LTIP Share[3]	44,900	-	59.94	-	(29,934)	(14,966)	-	May 2023
	Dividend	2,301	-	-	-	(1,534)	(767)	-	
	Deferred Share[5]	10,532	-	48.26	-	(10,532)	-	-	Mar 2023
	Dividend	679	-	-	-	(679)	-	-	
2021	LTIP Share[6,7]	46,296	-	53.36	-	-	-	46,296	Mar 2024
	Dividend	2,113	-	-	1,173	-	-	3,286	
	LTIP Share[6,8]	8,471	-	58.324	-	-	-	8,471	May 2024
	Dividend	386	-	-	214	-	-	600	
2022	LTIP Share[6,9]	60,794	-	48.762	-	-	-	60,794	Mar 2025
	Dividend	1,567	-	-	1,540	-	-	3,107	
	Deferred Share[9]	17,225	-	48.762	-	-	-	17,225	Mar 2025
	Dividend	443	-	-	435	-	-	878	
2023	LTIP Share[6,10]	-	72,127	41.922	-	-	-	72,127	Mar 2026
	Dividend	-	-	-	1,827	-	-	1,827	
	Deferred Share[10]	-	4,947	41.922	-	-	-	4,947	Mar 2026
	Dividend	-	-	-	124	-	-	124	
Total		**195,707**	**77,074**		**5,313**	**(42,679)**	**(15,733)**	**219,682**	

	Type of Award	31 December 2022 Number of shares	Granted in 2023 Number of shares	Award price[1] £	Dividend accrued in 2023	Vested in 2023 Number of shares	Lapsed in 2023 Number of shares	31 December 2023 Number of shares	Date of vesting
Colm Deasy[13]									
2023	LTIP Share[6,10]	-	4,551	41.922	-	-	-	4,551	Mar 2026
	Dividend	-	-	-	117	-	-	117	
	Deferred Share[10]	-	1,582	41.922		-	-	1,582	Mar 2026
	Dividend	-	-	-	39	-	-	39	
	LTIP Share[6,11]	-	15,508	42.234		-	-	15,508	Jun 2026
	Dividend	-	-	-	392	-	-	392	
Total		**-**	**21,740**		**548**	**-**	**-**	**22,288**	

	Type of Award	31 December 2022 Number of shares	Granted in 2023 Number of shares	Award price[1] £	Dividend accrued in 2023	Vested in 2023 Number of shares	Lapsed in 2023 Number of shares	31 December 2023 Number of shares	Date of vesting
Jonathan Timmis[17]									
2021	Buyout award[16]	13,000	-	56.08	-	(12,458)	(542)	-	Apr 2023
	Dividend	563	-	-	-	(568)	(25)	-	
	Buyout award[15]	13,000	-	56.08	-	-	(4,694)	8,306	Apr 2024
	Dividend	563	-	-	210	-	(215)	556	
	LTIP Share[3,14]	18,713	-	56.08	-	-	(6,757)	11,956	Apr 2024
	Dividend	859	-	-	302	-	(315)	846	
2022	LTIP Share[3,13]	21,533	-	49.752	-	-	(14,355)	7,178	Mar 2025
	Dividend	555	-	-	189	-	(371)	364	
	Deferred Share[9]	5,930	-	49.752	-	-	-	5,930	Mar 2025
	Dividend	178	-	-	174	-	-	352	
2023	Deferred Share[12]	-	26,28	41.922	-	-	-	26,28	Mar 2026
	Dividend	-	-	-	65	-	-	65	
	LTIP Share[6]	-	25,547	41.922	-	-	(25,547)	-	Mar 2026
Total		**75,948**	**28,175**		**931**	**(13,026)**	**(52,815)**	**39,213**	

1. Awards made are based on share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
2. The dividend shares are accrued on the date the dividend is paid and determined using the closing market price of the shares on that date. The dividend accrual relates to Share Awards made in lieu of not receiving cash dividends during the vesting period.
3. Awards vested on 30 May 2023, on which date the closing market price of shares was £41.65 having been granted on 29 May 2020, on which date the closing market price was £55.06. Awards were made at a share price of £59.94 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
4. One-third of the LTIP Share Awards are subject to EPS, one-third on Return on Invested Capital and one-third on Adjusted Free Cash Flow. In 2023, 66.67% LTIP shares vested.
5. Awards vested on 13 March 2023, on which date the closing market price of shares was £40.25 having been granted on 13 March 2020, on which date the closing market price was £45.36. Awards were made at a share price of £48.125 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
6. One-third of the LTIP Share Awards are subject to EPS, one-third on Return on Invested Capital and one-third on Adjusted Free Cash Flow. The LTIP shares will be subject to an additional two-year holding period post-vesting.
7. Awards will vest on 12 March 2024, subject to continued employment or good leaver status, having been granted on 12 March 2021, on which date the closing market price was £53.26. Awards were made at a share price of £53.35 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
8. Awards will vest on 27 May 2024, subject to continued employment or good leaver status, having been granted on 27 May 2021, on which date the closing market price was £54.82. Awards were made at a share price of £58.324 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
9. Awards will vest on 11 March 2025, subject to continued employment or good leaver status, having been granted on 11 March 2022, on which date the closing market price was £48.56. Awards were made at a share price of £49.752 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
10. Awards will vest on 13 March 2026, subject to continued employment or good leaver status, having been granted on 13 March 2023, on which date the closing market price was £40.26. Awards were made at a share price of £41.922 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
11. Awards will vest on 6 June 2026, subject to continued employment or good leaver status, having been granted on 6 June 2023, on which date the closing market price was £43.65. Awards were made at a share price of £42.234 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
12. Awards vested on 3 April 2023, on which date the closing market price of shares was £40.35, having been granted on 1 April 2021, on which date the closing market price was £57.20. Awards were made at a share price of £56.108 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
13. Pro-rated awards in line with the Group's good leaver policy will vest on 1 April 2024, having been granted on 1 April 2021, on which date the closing market price was £57.20. Awards were made at a share price of £56.108, being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
14. Pro-rated awards in line with the Group's good leaver policy will vest on 1 April 2024, having been granted on 1 April 2021, on which date the closing market price was £57.20. Awards were made at a share price of £56.108, being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
15. Pro-rated awards in line with the Group's good leaver policy. Awards will vest on 11 March 2025, subject to continued employment or good leaver status, having been granted on 11 March 2022, on which date the closing market price was £48.56. Awards were made at a share price of £49.752 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
16. Appointed as Director on 17 March 2023.
17. Appointed as a Director on 1 April 2021 - ceased to be a Director on 17 March 2023.

Malus and clawback (audited)

Malus and clawback will operate in respect of the 2011 Long Term Incentive Plan and the 2021 Long Term Incentive Plan. In various circumstances including where there is reasonable evidence of misbehaviour or material error, conduct considered gross misconduct, breach of any restrictive covenants by participants, conduct which results in (a) significant loss(es) to the Company, failure to meet appropriate standards of fitness and propriety, a material failure of management in the Company, a discovery of a material misstatement in the audited consolidated accounts or the behaviour of a Director has a significant detrimental impact on the reputation of the Group. Clawback can be applied at any time during the clawback period, which is six years from the date of the award (or less extended by the Remuneration Committee prior to the expiry of the initial clawback period.

The Committee has the discretion to reduce annual incentive payments if it believes that short-term performance has been achieved at the expense of the Group's long-term future or vice versa. The Committee also retains the discretion to reduce or reclaim payments if the performance achievements are subsequently found to have been significantly misstated.

Directors' interests in ordinary shares (audited)

The interests of the Directors in the shares of the Company as at the year-end, or date of ceasing to be a Director, are set out below. Save as stated in this report, during the course of the year, no Director or any member of his or her immediate family have any other interests in the ordinary share capital of the Company or any of its subsidiaries. None of the Non-Executive Directors have share options or share awards.

	Beneficially owned at 31 December 2022	Beneficially owned at 31 December 2023 or on ceasing to be a Director[2]	Outstanding LTIP Share Awards[3]	Outstanding Deferred Shares[3]	Shareholding as a % of salary[4]	Shareholding Guideline met
André Lacroix[5]	472,425	495,044	196,508	23,174	2045	Yes
Colm Deasy[6]	n/a	6,182	20,668	1,629	62	No
Jonathan Timmis[7]	7,574	7,574	20,944	18,869	60	No
Andrew Martin	6,165	8,615	-	-	n/a	n/a
Graham Allan	2,574	2,719	-	-	n/a	n/a
Gurnek Bains	572	712	-	-	n/a	n/a
Lynda Clarizio	221	364	-	-	n/a	n/a
Tamara Ingram	215	355	-	-	n/a	n/a
Jez Maiden	250	390	-	-	n/a	n/a
Kawal Preet	-	140	-	-	n/a	n/a
Gill Rider	977	1,122	-	-	n/a	n/a
Apurvi Sheth[8]	-	*	-	-	n/a	n/a
Jean-Michel Valette	10,589	10,730	-	-	n/a	n/a

1. No changes in the above Directors' interests have taken place between 31 December 2023 and 29 February 2024
2. Subject to performance conditions
3. Subject to continued employment or good leaver status
4. Calculated as the number of shares beneficially owned at 31 December 2023 based on a share price of £42.46 as at 29 December 2023, being the last trading day, and applied to the annual salary for 2023
5. Appointed 16 May 2016 with the guideline to hold 200% of base salary in shares by 16 May 2020. With effect from the AGM held on 25 May 2021, this was increased to 500% of base salary, which has been exceeded.
6. Appointed 17 March 2023 with a guideline to hold 300% of base salary
7. As at 17 March 2023, the date he ceased to be a director of the Company, As a former Executive Director holding of at least the percentage held at the point of leaving must be maintained
8. Appointed 01 September 2023

Post-employment share ownership requirements

In line with best practice on the post-cessation of employment shareholding guidelines, Executive Directors are required to retain shares equivalent to the lower of their actual shareholding and the in-employment shareholding requirement for two years after ceasing employment with Intertek. These will be held in the Company Nominee account with the date that the holding restriction falls away annotated on the account.

Payments to past Directors (audited)

Ross McCluskey continues to be employed by the Group, as Executive Vice President Europe, Middle East and Africa, and therefore was not treated as a leaver for the purpose of outstanding incentive awards on ceasing to be a director.

Leaving arrangements for Jonathan Timmis (audited)

Jonathan Timmis was entitled to receive salary and other benefits in respect of the period to the termination date. Entitlement to receive salary and other benefits ends on the termination date. Jonathan was granted good leaver status in relation to his Deferred and LTIP awards which will be pro-rated and vest in line with the rules of the share plan. On termination the rights to his buy-out awards lapsed but the Company agreed to a pro-ration of awards in line with the rules applicable to the Long-Term Incentive plan. Thus 13,026 shares vested on 1 April 2023 representing the second tranche with a further 6,894 shares representing the final tranche to vest on 1 April 2024. These additional shares will only vest if he is not employed by or engaged in any business or organisation, whether as a partner, director, employee secondee, consultant, agent or otherwise but excluding pre non-executive appointments, on the date on which such shares are due to vest.

Jonathan is entitled to a payment of £573,288 as payment in lieu of notice which is being paid in the amounts and at the times it would have been paid had he continued to work throughout the notice period, only for periods that he receives no remuneration from any business in, of or to which he is a partner/director.

employee, seconded, consultant or agent. In the event that he does receive such income the amount so received will be deducted from the monthly salary and pension contributions payable in lieu.

Jonathan was paid his 2022 bonus and he is eligible for a pro-rata annual bonus for the part of 2023 that he was in the employment of the Group. Any 2023 bonus will be determined by the Remuneration Committee and will be paid at the time all such bonuses are paid by the employer and Jonathan will be treated consistently with the other executives. This award will be subject to malus and clawback provisions.

The Company made a payment in respect of the Jonathan Timmis' legal advisers of £4,000 plus VAT.

Full details of the vesting of Share awards and vestings are included in the share tables earlier in this report as Jonathan was a director for part of the year. Jonathan is required to continue to hold shares equivalent to his share holding at the date of leaving for a further two years. As at the date of leaving he held a holding of 7,574 shares. In addition, he is required to hold any LTIP shares that vest for a further two years post vesting. These shares are held in the company nominee, and are clearly identified with the date that the two year holding period expires.

Payments for loss of office (audited)

There were no payments for loss of office other than the payments described above.

Percentage change in remuneration levels

The table below shows the average movement in salary and annual incentive for UK employees between the 2019/20, the 2020/2021, the 2021/2022 and the 2022/2023 financial year-ends. The UK total employee population has been chosen as a comparator, as the parent company (Intertek Group plc) does not have any employees apart from the Directors.

	Salary %				Annual Incentive %				Benefits %			
	2019/2020	2020/2021	2021/2022	2022/2023	2019/2020	2020/2021	2021/2022	2022/2023	2019/2020	2020/2021	2021/2022	2022/2023
CEO (André Lacroix)	1.0	1.4	1.5	2.0	(24.2)	n/a[3]	(75.3)	24.4	(12.4)	(2.3)	8.2	(0.8)
CFO (from 17 March 2023) (John Deasy[4])	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average based on Intertek's UK employees[3]	3.2		4.1	3.4	(9.9)	n/a	n/a	15.8	n/a	n/a	n/a	n/a
Chair of the Board (from 1 Jan 2022) (Andrew Martin)	-	260.4	-	-	n/a	n/a	n/a	n/a	n/a	-	n/a	(13.0)
Graham Allan	-	-	-	-	n/a	n/a	n/a	n/a	-	-	-	-
Gurnek Bains	-	-	-	-	n/a	n/a	n/a	n/a	(100.0)	-	-	-
Lynda Clarizio (from 1 March 2021)	n/a	-	23.1	-	n/a	n/a	n/a	n/a	n/a	-	350.0	-
Tamara Ingram (from 16 Dec 2020)	n/a	32.5	11.6	2.8	n/a	n/a	n/a	n/a	n/a	-	-	-
Jez Maiden (from 26 May 2022)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kewsi Preet (from 31 December 2022)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gill Rider	-	11.7	1.2	-	n/a	n/a	n/a	n/a	(65.5)	n/a	(100.0)	-
Apurvi Sheth (from 1 September 2023)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jean-Michel Valette	-	13.9	-	-	n/a	n/a	n/a	n/a	(48.9)	(25.0)	150.0	-

1. The percentage change in incentive and benefits for André Lacroix are based on actual amounts earned from 2019, 2020, 2021, 2022 and 2023. The overlight increase in Apr 2023 was 2.8%
2. John Deasy was appointed on 17 March 2023 as a director
3. The Intertek UK employee group has been selected as the most appropriate comparator group, due to the diverse nature of the Group's global employee population.

Non-Executive Director fees are set in advance for all Non-Executive Directors and any changes in salary percentages reflect that one comparator year was not a full year, or the Non-Executive Director Target Committee roles and there was an adjustment to their fees to reflect this, and a general increase in fees which would be declared in the table on page 93. Any changes in the 'Benefits' column would reflect the benefits in kind accrued in the performance of their duties (e.g. expenses for accommodation, travel or meals) - whether there is a claim depends on where the meetings are held in relation to where the Director's placed of work is considered to be or where no as shown or is in case that the director was not in role for the full period and the preceding period.

CEO pay ratio

The following table sets out the CEO's pay ratio, comparing the CEO's total remuneration against that of UK employees. The table below shows the required information from 2019 through to 2023.

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023				
CEO	**Option B**	**175:1**	**124:1**	**87:1**
2022				
CEO[1]	Option B	112:1	89:1	57:1
2021				
CEO	Option B	117:1	90:1	56:1
2020				
CEO	Option B	94:1	72:1	50:1
2019				
CEO	Option B	205:1	152:1	107:1

1. These ratios have been restated to reflect the annualised vesting value in the single pay figure.

The regulations also require the total pay and benefits and the salary component of total pay to be set out as follows:

	Base salary £	Total pay and benefits £
CEO remuneration	1,023,934	5,097,982
UK employee 25th percentile	26,225	29,107
UK employee median	36,206	40,879
UK employee 75th percentile	49,628	58,162

In terms of reporting options, the Company chose option B, using the most recent gender pay gap information to determine the relevant employees at the 25th, 50th and 75th percentile to compare to CEO pay, as that data was already available and is used for other reporting purposes. It refers to gender pay data as of 1 April 2023 and uses the single total figure methodology for the identified individuals. The pay and benefits for the employees at the quartiles are their total actual annual pay and benefits as of 31 December 2023.

With regards to representativeness of the ratios, Intertek is a very diverse employer and has employees in many UK locations. Our employees have many different qualifications and are working in and serving almost all major industries. As a consequence, it is unlikely that there is any one single individual whose pay and benefits are representative of Intertek UK as a whole. Intertek has therefore also looked at the total pay of the individuals immediately above and below the 25th, 50th and 75th percentile. Looking at the spread of resulting ratios, it was decided that the 'best' equivalent would be the arithmetic mean of the total pay of three individuals around each reporting point:

- For the three employees around the 25th percentile: Ratios ranged from 169:1 to 178:1, with an arithmetic mean of 175:1.
- For the three employees around the 50th percentile: Ratios ranged from 197:1 to 130:1, with an arithmetic mean of 124:1.
- For the three employees around the 75th percentile: Ratios ranged from 77:1 to 94:1, with an arithmetic mean of 87:1.

When calculating total pay and rewards, no pay components were omitted. The Company used the calculation methodology as set out in the relevant regulations (The Companies (Miscellaneous Reporting) Regulations 2018). For part-time employees, their relevant pay and benefit components have been adjusted to the equivalent full-time figure for the relevant business. Full-time equivalent hours can vary across locations and legal entities.

The pay ratio reflects how remuneration arrangements differ as responsibility increases for more senior roles in the organisation, including reflecting that an increased proportion is based on performance-related variable pay and short-term based incentives for more senior executives. The Committee is therefore comfortable that the pay ratio reflects the pay and progression policies at Intertek.

Relative importance of the spend on pay

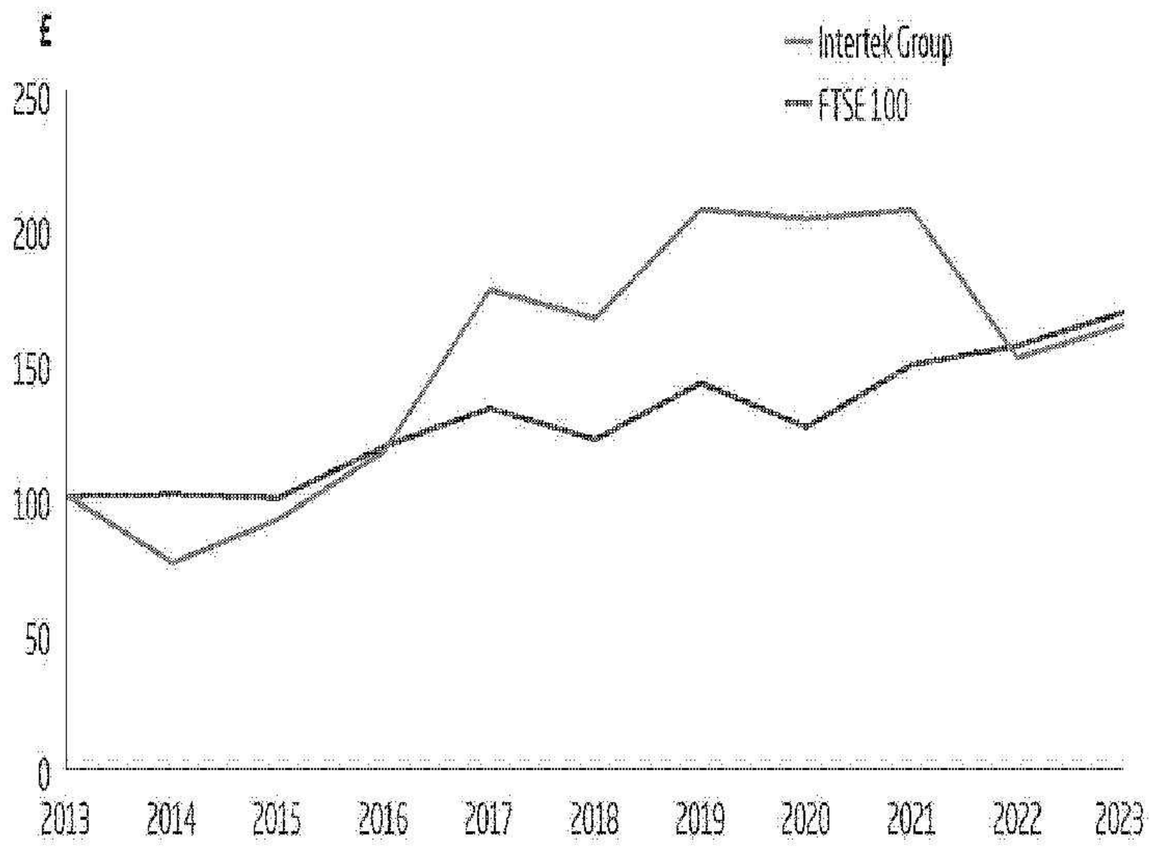
The table below shows the movement in spend on staff costs between the 2022 and 2023 financial years, compared to dividends.

	2023 £m	2022 £m	% change
Staff costs[1]	**1,450.2**	1,394.7	4.0%
Dividends	**176.3**	170.5	3.5%

1. Staff costs are shown at actual rates. At constant currency, staff costs increased by 6.5%, reflecting a 2.5% foreign exchange impact.

Performance graph

Consistent with prior years, the graph alongside shows the TSR in respect of the Company over the last ten financial years, compared with the TSR for the full FTSE 100 Index. The FTSE 100 is selected as the comparator group as it is a good representation of peer group companies and Intertek is a constituent of the FTSE 100. TSR, reflecting the change in the value of a share and dividends paid, can be represented by the value of a notional £100 invested at the beginning of a period and its change over that period.



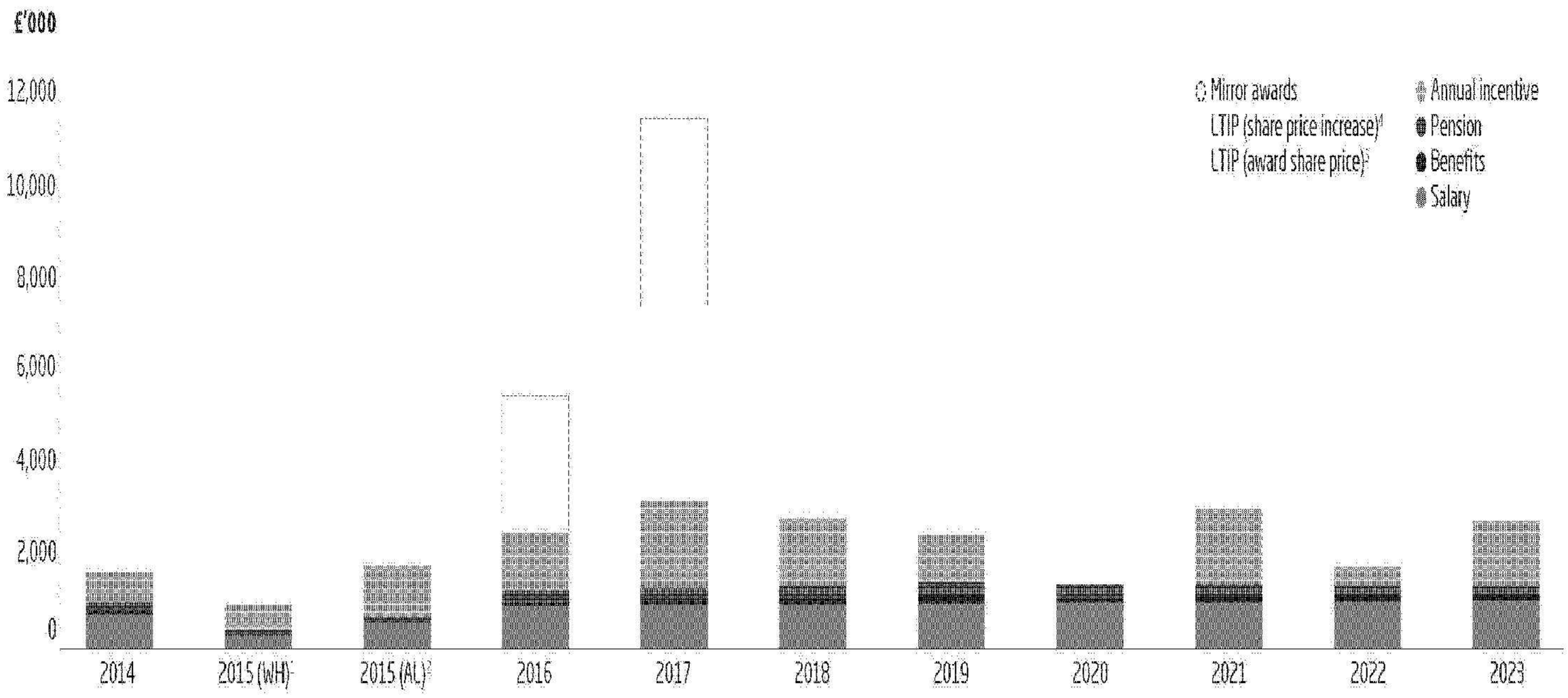
CEO total remuneration

The total remuneration figures for the CEO during each of the past ten financial years are shown in the table below. Consistent with the calculation methodology for the single figure for total remuneration the total remuneration figure includes the cash annual incentive and Deferred Share Award based on that year's performance and LTIP share awards based on the three-year performance period ending in the relevant year. The annual incentive payout and LTIP award vesting, expressed as a percentage of the maximum opportunity, are also shown for each of these years.

	W Hauser	A Lacroix								
	2014	2015	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total remuneration £'000	2,011	876	1,324	5,452	11,417[1]	6,223	4,986	2,470	3,048	3,083	**5,088**
Annual incentive (%)	98.4	90.5	96.5	70.2	100.0	75.5	52.3	0.0	85.0	20.5	**68.9**
LTIP award vesting (%)	25.2	-	-	-	90.9	98.3	89.4	41.5	0.0	66.7	**100.0**

1. As reported in previous years at the time of joining, the Company had bought out Andrew's outstanding share awards with his previous employer in two tranches of 91,575 and 91,574 shares vesting in 2016 and 2017, each at a value of £28. The award that vested in 2017 vested at a share price of £42.95, which represents an increase for Company share price over the two years of over 53%. These awards were one-off awards and not part of his ongoing remuneration.

The graph below shows the total remuneration of the Interim CEO over the ten-year period from 2014 to 2023.



1. Shows W Hauser remuneration based on period to 15 May 15
2. Shows A Lacroix remuneration for the period from appointment as CEO on 6 May 15
3. LTIP (award share price) shows the proportion of the LTIP value received which resulted from the share price at award date
4. LTIP (share price increase) shows the proportion of the LTIP value received which resulted from increase in the share price over the vesting period

Approval of the Directors' Remuneration report

The Directors' Remuneration report, including both the Directors' Remuneration Policy and the Annual report on remuneration, was approved by the Board on 4 March 2024.



Gill Rider
Chair of the
Remuneration Committee

Other Statutory Information

In accordance with the requirements of the Companies Act 2006 ('Act') and the Disclosure Guidance and Transparency Rules ('DTR') of the Financial Conduct Authority ('FCA'), the following section describes the matters that are required for inclusion in the Directors' Report and were approved by the Board. Further details of matters required to be included in the Directors' Report that are incorporated by reference into this report are set out below.

Annual Report & Accounts and compliance with Listing Rule ('LR') 9.8.4 R

The Annual Report & Accounts is in a three book format. Book one – Strategic report, Book two – Sustainability report/Directors' report, and Book three – Financial report. The Board has prepared a Strategic report in Book one which provides an overview of the development and performance of the Company's business together with any research and development activities during the year ended 31 December 2023 and its position at the end of that year. The Strategic report also outlines any important events since the end of the financial year and also likely future developments in the business of the Company and Group.

For the purposes of compliance with DTR 4.1.5 R (2) and DTR 4.1.8 R the required content of the management report can be found in the Strategic report and this Directors' report in Book two, including the sections of the Annual Report & Accounts, being Books one, two and three, incorporated by reference.

For the purposes of LR 9.8.4 C R, the information required to be disclosed by LR 9.8.4 R can be found in the table below.

Topic	Location and page	
1.	Amount of interest capitalised	Not applicable
2.	Any information required by LR 9.2.18 R (Publication of unaudited financial information)	Not applicable
3.	Details of long-term incentive schemes	Directors' Remuneration Committee report (pages 78-103)
4.	Waiver of emoluments by a Director	Not applicable
5.	Waiver of future emoluments by a Director	Not applicable
6.	Non pre-emptive issues of equity for cash	Not applicable
7.	Information required by (6) above for any unlisted major subsidiary undertaking of the Company	Not applicable
8.	Company participation in a placing by a listed subsidiary	Not applicable
9.	Any contracts of significance	Other statutory information (page 106)
10.	Any contracts for the provision of services by a controlling shareholder	Not applicable
11.	Shareholder waivers of dividends	Other statutory information (page 105)
12.	Shareholder waivers of future dividends	Other statutory information (page 105)
13.	Agreements with controlling shareholders	Not applicable

Directors

The names of the members of the Board, as at the date of this report, and their biographical details are set out on pages 50-52. During the year Colin Beasty was appointed as Chief Financial Officer and Apurv Sheth was appointed as Non-Executive Director of the Board on 17 March 2023 and 1 September 2023, respectively.

Articles of Association

The Company's Articles of Association contain provisions relating to the retirement, election and re-election of Directors but, in accordance with best practice, all Directors who wish to continue to serve will stand for election and re-election at the Annual General Meeting ("AGM").

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of Directors and the conduct of the Board and general meetings. Copies are available upon request from the Group Company Secretary and are available at the Company's AGM. Further powers are granted by members in general meetings and those currently in place are set out in detail on the next page.

Directors' indemnities

The Board believes that it is in the best interests of the Group to attract and retain the services of the most able and experienced Directors by offering competitive terms of engagement, including the grant of indemnities on terms consistent with the applicable statutory provisions. In accordance with the Articles of Association, the Company has executed deed polls of indemnity for the benefit of the Directors of the Company. These provisions, which are deemed to be qualifying third-party indemnity provisions (as defined by section 234 of the Act), were in force during the financial year ended 31 December 2023, for the benefit of the Directors and, at the date of this report, remain in force in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

Directors' interests

Other than the Directors' service agreements or letters of appointment, none of the Directors of the Company had a personal interest in any business transactions of the Company or its subsidiaries. The terms of the Directors' service agreements or letters of appointment and the Directors' interests in shares and share awards of the Company, in respect of which transactions are not liable to the Company and the FCA under Article 19 of the UK Market Abuse Regulation, are disclosed in the Directors' Remuneration report.

Directors' powers

The Directors are responsible for the strategic management of the Company and their powers to do so are determined by the provisions of the Act and the Company's Articles of Association.

Dividend

The Directors are recommending a final dividend of 74.0p per ordinary share (2022: 71.6p), making a full-year dividend of 111.7p per ordinary share (2022: 105.8p) which will, if approved at the AGM, be paid on 21 June 2024 to shareholders on the register at the close of business on 31 May 2024.

Share capital

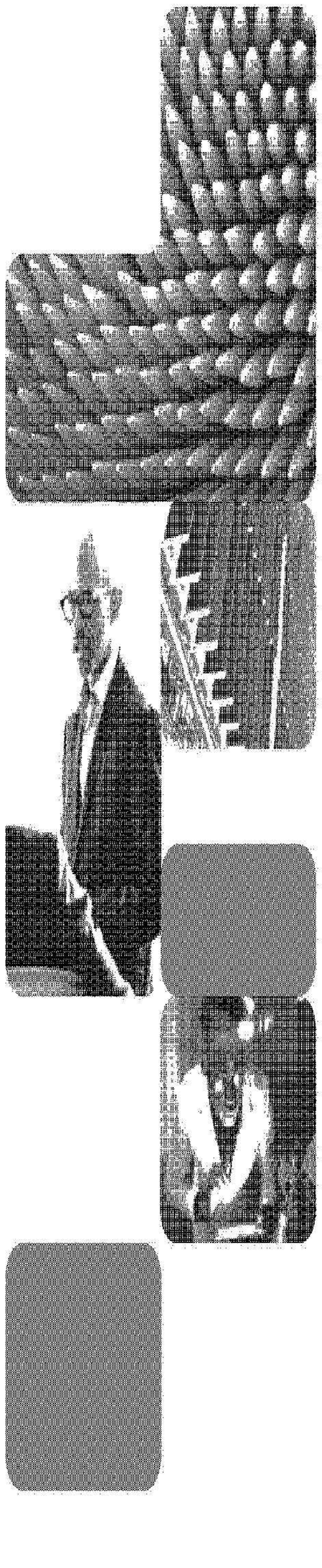
The issued share capital of the Company and the details of the movements in the Company's share capital during the year are shown in note 15 in Book three.

The holders of ordinary shares are entitled to receive dividends when declared, receive the Company's Annual Report & Accounts, attend and speak at general meetings of the Company, appoint proxies and exercise voting rights. A waiver of dividend exists in respect of the 149,779 shares held by the Intertek Group Employee Share Ownership Trust ("Trust") as of 31 December 2023 and with respect to future dividends. Details of the shares purchased by the Trust during the year are outlined in note 15 in Book three. There are no restrictions on the transfer of ordinary shares in the Company.

The rights attached to shares in the Company are provided by the Articles of Association, which may be amended or replaced by means of a special resolution of the Company in a general meeting. The Directors' powers are conferred on them by UK legislation and by the Company's Articles of Association.

No ordinary shares carry any special rights with regard to the control of the Company and there are no restrictions on voting rights except that a shareholder has no right to vote in respect of a share unless all sums due in respect of that share are fully paid. There are no arrangements known to the Company by which financial rights carried by any shares in the Company are held by a person other than the holder of the shares, nor are there any arrangements between holders of securities that may result in restrictions on the transfer of securities or on voting rights known to the Company. All issued shares are fully paid.

Shares are admitted to trading on the London Stock Exchange and may be traded through the CREST system.



Allotment of shares

At the AGM held in 2023, the shareholders generally and unconditionally authorised the Directors to allot relevant securities up to approximately two-thirds of the nominal amount of issued share capital.

It is the Directors' intention to seek renewal of this authority in line with guidance issued by the Investment Association. The resolution will be set out in the Notice of AGM.

At the AGM held in 2023, the Directors were also empowered by the shareholders to allot equity securities, up to 5% of the Company's issued share capital, for cash under section 571 of the Act. It is intended that this authority be renewed at the forthcoming AGM.

It is the Board's intention to also propose the renewal of the additional special resolution to allow the Company to allot equity securities up to a further 5% of the Company's issued share capital. This is applicable when the Board determines a transaction to be an acquisition or other capital investment and is announced contemporaneously with the allotment or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Purchase of own shares

Shareholders also approved the authority for the Company to buy back up to 10% of its own ordinary shares by market purchase until the conclusion of the AGM to be held this year. The Directors will seek to renew this authority for up to 10% of the Company's issued share capital at the forthcoming AGM. This power will only be exercised if the Directors are satisfied that any purchases will increase the earnings per share of the ordinary share capital in issue after the purchase and accordingly that the purchase is in the interests of shareholders. The Directors will also give careful consideration to gearing levels of the Company and its general financial position. Any shares purchased in this way may be held in treasury which, the Directors believe, will provide the Company with flexibility in the management of its share capital. Where treasury shares are used to satisfy Share Awards, they will be classed as new issue shares for the purpose of the 10% limit on the number of shares that may be issued over a ten-year period under the relevant share plan rules. The Company currently holds no shares in treasury.

Significant agreements

The Company is not a party to significant agreements which take effect, alter or terminate upon a change of control following a takeover bid apart from a number of credit facilities with banks together with certain senior notes issued by the Company. The total amount owing under such credit facilities and senior note agreements as of 31 December 2023 is shown in note 14 to the financial statements. These agreements contain clauses such that, in the event of a change of control, the Company can offer to or must repay all such borrowings together with accrued interest, fees and other sums owing as required by the individual agreements.

The rules of the Company's incentive plans contain clauses relating to a change of control resulting from a takeover and, in such an event, awards would vest subject to the satisfaction of any associated performance criteria. The Company is not aware of any other agreements with change of control provisions that are considered to be significant in terms of their potential impact to the business.

There are no significant agreements or contracts in place with any Group Company and a Director of the Company or a major shareholder.

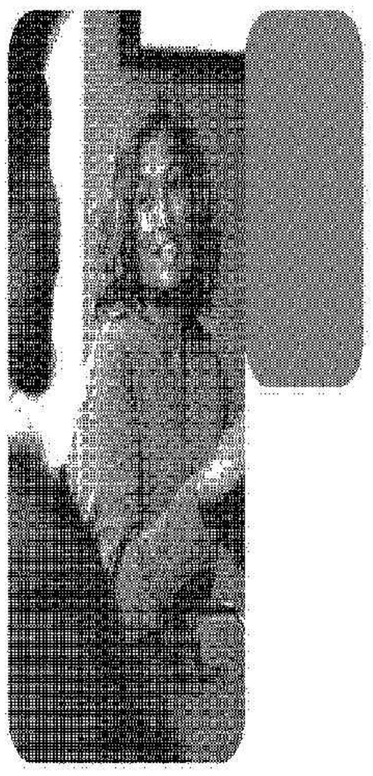
Material interests in shares

Up to 4 March 2024, being the latest practicable date before the publication of this report, the following disclosures of major holdings of voting rights have been made (and have not been amended or withdrawn) to the Company pursuant to the requirements of Rule 5 of the DTR of the FCA (DTR 5). The Company is not aware of any changes in the interests disclosed under DTR 5 since the year-end.

At date of notification

Shareholder	Direct voting rights	Indirect voting rights	Percentage of voting rights attached to shares	Voting rights through financial instruments	Percentage of voting rights through financial instruments	Total voting rights	Percentage of total voting rights
BlackRock Inc.	-	10,473,019	6.49%	1,392,394	0.85%	11,865,413	7.34%
Fiera Capital Corporation	-	8,010,553	4.96%	-	-	8,010,553	4.96%
Massachusetts Financial Services Company	-	8,004,731	4.96%	-	-	8,004,731	4.96%

These holdings are published on a Regulatory Information Service and on the Company's website.



Our people

Information about the Group's employees, employment of disabled persons policies and employment practices is contained within this report on pages 10-17. Information on the employee share schemes is in the Directors' Remuneration report and in Book three, pages 88-89. The steps by the Company taken to inform, engage and consult with employees is outlined in page 59 and in the Section 172 statement on page 56.

Stakeholders

Information on the steps by the Company taken to inform, engage and consult with our stakeholders is outlined in pages 56-61 and in the Section 172 statement on page 56.

Energy Use and Greenhouse Gas emissions ('GHG')

Information about the Group's energy use, GHGs and methodologies used for the calculations are given in this report on pages 26-30.

Task Force on Climate-Related Financial Disclosures ('TCFD')

The climate-related financial disclosures consistent with TCFD recommendations are in Book one.

Political donations

At the AGM in 2023, shareholders passed an ordinary resolution, on a precautionary basis, to authorise the Company to make donations to EU political organisations and to incur EU political expenditure (as such terms are defined in the Act) not exceeding £50,000.

During the year the Group did not make any such political donations (2022: £nil); it is the Company's policy not, directly or through any subsidiary, to make what are commonly regarded as donations to any political party.

At the forthcoming AGM of the Company, shareholders' approval will again be sought to authorise the Group to make political donations and/or incur political expenditure (as such terms are defined in section 362 to 379 of the Act). Further information is contained in the Notice of AGM.

Branches

The Company, through various subsidiaries, has established branches in a number of different countries in which the business operates. The list of related undertakings is available in note 28 in Book three.

Independent auditors

The auditor PricewaterhouseCoopers LLP, have expressed their willingness to continue in office. Upon the recommendation of the Audit Committee, a resolution to reappoint them as auditors and to determine their remuneration will be proposed at the forthcoming AGM.

Financial instruments

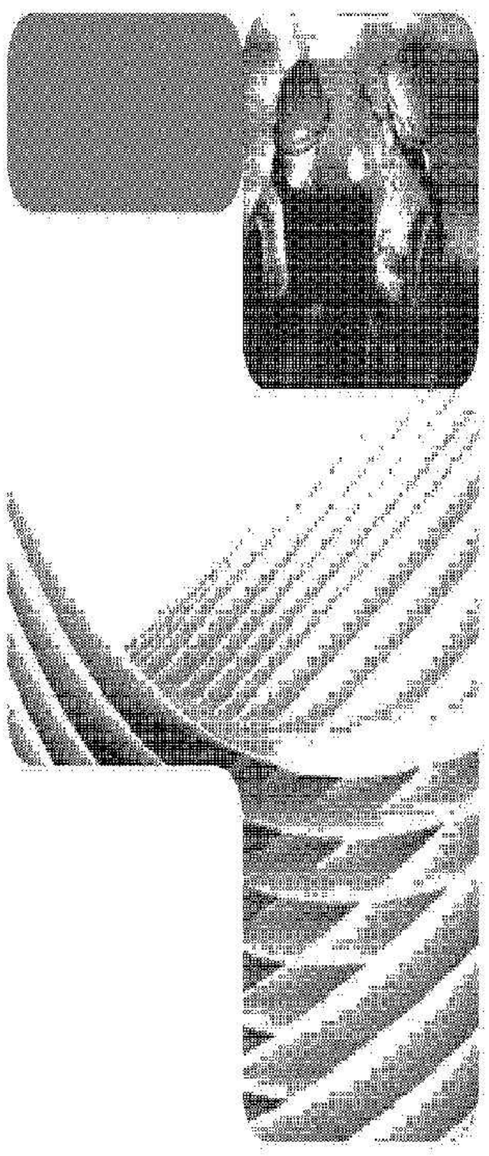
Details about the Group's use of financial instruments are outlined in note 14 in Book three.

Annual General Meeting

The Notice of AGM, which is to be held on 24 May 2024, is available for download from the Company's website at intertek.com/investors. The Notice details the business to be conducted at the meeting and includes information concerning the deadlines for submitting proxy forms and in relation to voting rights.

Statement of disclosure of information to auditors

The Directors who are in office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all reasonable steps that he or she ought to have taken as a Director of the Company to make themselves aware of any relevant audit information and to establish and ensure that the Company's auditors are aware of that information.



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.



André Lacroix
Chief Executive Officer
4 March 2024
Registered Office:
33 Cavendish Square, London W1G 0PS

Registered Number: 04258576





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Book three: Financial Report

intertek



We are pleased to share our Annual Report & Accounts in a unique, three-book format:

Book one: Strategic Report

Where we discuss our growth opportunities and strategic performance.

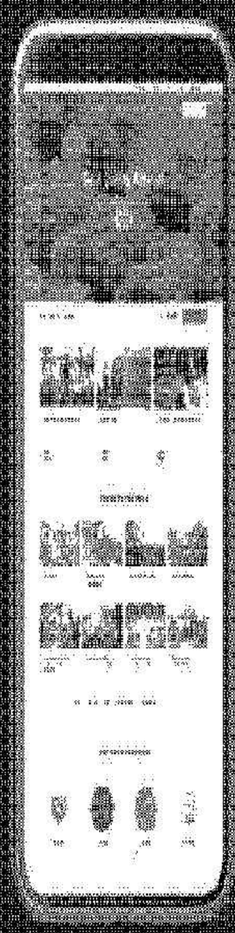
Book two: Sustainability Report

Where we discuss our environmental, social and governance progress.

Book three: Financial Report

Where we record our financial activities, performance and position.

These separate, but connected books, with their interconnected themes and narratives, allow us to present what we achieved in 2023 in a systemic, end-to-end framework. They have been designed to make it easier for our stakeholders to fully understand our business, how we bring quality, safety and sustainability to life, what we offer our clients and society, and the opportunities ahead of us.



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Book three: Financial Report

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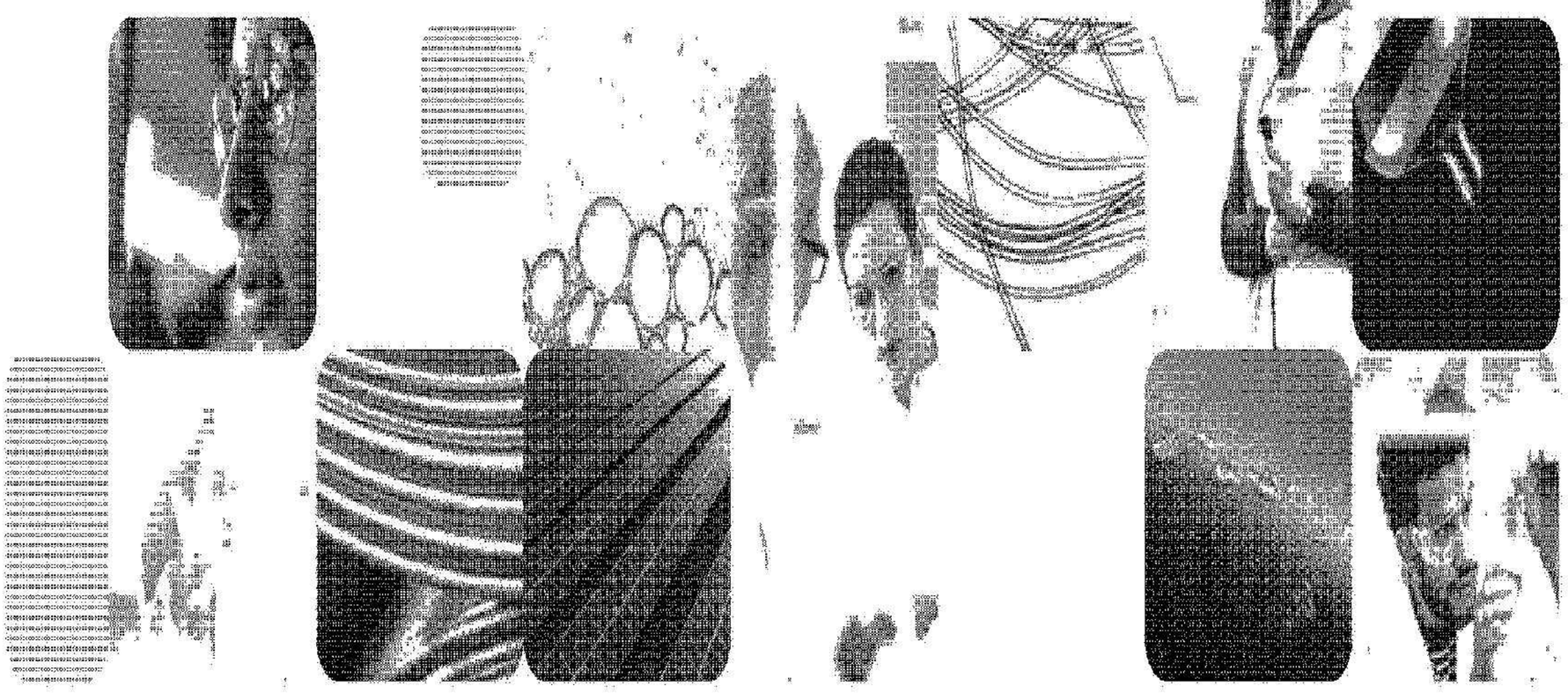


Consolidated income statement

For the year ended 31 December	Notes	Adjusted results* £m	Separately Disclosed Items* £m	Total 2023 £m	Adjusted results* £m	Separately Disclosed Items* £m	Total 2022 £m
Revenue	2	**3,328.7**	**-**	**3,328.7**	3,192.9	-	3,192.9
Operating costs	4	**(2,777.6)**	**(64.9)**	**(2,842.5)**	(2,672.8)	(67.7)	(2,740.5)
Group operating profit/(loss)	2	**551.1**	**(64.9)**	**486.2**	520.1	(67.7)	452.4
Finance income	14	**3.8**	**-**	**3.8**	2.2	-	2.2
Finance expense	14	**(47.7)**	**(20.0)**	**(67.7)**	(34.1)	(0.7)	(34.8)
Net financing costs		**(43.9)**	**(20.0)**	**(63.9)**	(31.9)	(0.7)	(32.6)
Profit/(loss) before income tax		**507.2**	**(84.9)**	**422.3**	488.2	(68.4)	419.8
Income tax (expense)/credit	6	**(124.8)**	**20.6**	**(104.2)**	(128.4)	15.4	(113.0)
Profit/(loss) for the year	2	**382.4**	**(64.3)**	**318.1**	359.8	(53.0)	306.8
Attributable to:							
Equity holders of the Company		**361.7**	**(64.3)**	**297.4**	341.8	(53.0)	288.8
Non-controlling interest	20	**20.7**	**-**	**20.7**	18.0	-	18.0
Profit/(loss) for the year		**382.4**	**(64.3)**	**318.1**	359.8	(53.0)	306.8

Earnings per share**

Basic	7	**184.4p**	179.2p
Diluted	7	**183.4p**	178.4p

* See note 3

** Earnings per share on the adjusted results as disclosed in note 7.

Consolidated statement of comprehensive income

For the year ended 31 December	Notes	2023 £m	2022 £m
Profit for the year	2	**318.1**	306.8
Other comprehensive (expense)/income			
Remeasurements on defined benefit pension schemes	16	**(2.6)**	17.4
Tax on comprehensive income items	6	**3.0**	(4.3)
Items that will never be reclassified to profit or loss		**0.4**	13.1
Foreign exchange translation differences of foreign operations		**(147.1)**	185.5
Net exchange gain/(loss) on hedges of net investments in foreign operations		**58.8**	(123.0)
Loss on fair value of cash flow hedges		**(0.1)**	–
Items that are or may be reclassified subsequently to profit or loss		**(88.4)**	61.5
Total other comprehensive (expense)/income for the year		**(88.0)**	74.6
Total comprehensive income for the year		**230.1**	381.4
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**211.6**	368.1
Non-controlling interest	20	**18.5**	13.3
Total comprehensive income for the year		**230.1**	381.4

Consolidated statement of financial position

As at 31 December	Notes	2023 £m	2022 £m
Assets			
Property, plant and equipment	8	**669.6**	694.4
Goodwill	9	**1,385.8**	1,418.4
Other intangible assets	9	**330.9**	362.9
Trade and other receivables	11	**21.8**	21.5
Defined benefit pension asset	16	**21.8**	25.3
Deferred tax assets	6	**36.4**	45.0
Total non-current assets		**2,466.3**	2,568.5
Inventories*		**17.2**	15.9
Trade and other receivables*	11	**725.1**	726.4
Cash and cash equivalents	14	**299.3**	322.6
Current tax receivable		**30.0**	31.9
Total current assets		**1,071.6**	1,096.8
Total assets		**3,537.9**	3,665.3
Liabilities			
Interest-bearing loans and borrowings	14	**(97.5)**	(262.4)
Current taxes payable		**(60.5)**	(71.0)
Lease liabilities	14	**(69.9)**	(70.6)
Trade and other payables*	12	**(735.6)**	(728.2)
Provisions*	13	**(18.0)**	(15.8)
Total current liabilities		**(981.5)**	(1,148.0)
Interest-bearing loans and borrowings	14	**(812.4)**	(797.1)
Lease liabilities	14	**(237.9)**	(251.6)
Deferred tax liabilities	6	**(75.3)**	(99.2)
Defined benefit pension liabilities	16	**(4.8)**	(2.4)
Trade and other payables*	12	**(30.1)**	(34.6)
Provisions*	13	**(35.8)**	(12.6)
Total non-current liabilities		**(1,196.3)**	(1,199.3)
Total liabilities		**(2,177.8)**	(2,347.3)
Net assets		**1,360.1**	1,318.0

As at 31 December	Notes	2023 £m	2022 £m
Equity			
Share capital	15	**1.6**	1.6
Share premium		**257.8**	257.8
Other reserves		**(127.5)**	(41.3)
Retained earnings		**1,191.5**	1,065.9
Total equity attributable to equity holders of the Company		**1,323.4**	1,284.0
Non-controlling interest	20	**36.7**	34.0
Total equity		**1,360.1**	1,318.0

* Working capital of negative £78.9m (2022: negative £47.9m) comprises the asterisked items in the above statement of financial position less the IFRS 16 lease receivable of £16.1m (2022: £29.9m).

The financial statements on pages 1 to 50 were approved by the Board on 4 March 2024 and were signed on its behalf by:



André Lacroix
Chief Executive Officer



Colm Deasy
Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 December	Notes	Attributable to equity holders of the Company							
				Other reserves					
		Share capital £m	Share premium £m	Translation reserve £m	Other £m	Retained earnings £m	Total before non-controlling interest £m	Non-controlling interest £m	Total equity £m
At 1 January 2022		16	257.8	(108.9)	6.4	925.1	1,096.0	32.6	1,128.6
Total comprehensive income for the year									
Profit		-	-	-	-	288.8	288.8	16.3	305.1
Other comprehensive income		-	-	61.2	-	13.1	74.3	0.3	74.6
Total comprehensive income for the year		-	-	61.2	-	301.9	363.1	16.6	379.7
Transactions with owners of the Company recognised directly in equity									
Contributions by and distributions to the owners of the Company									
Dividends paid	15	-	-	-	-	(170.6)	(170.6)	(16.6)	(187.2)
Changes in non-controlling interest	26	-	-	-	-	-	-	-	-
Purchase of own shares	15	-	-	-	-	(2.3)	(2.3)	-	(2.3)
Tax paid on Share Awards vested*	17	-	-	-	-	(4.4)	(4.4)	-	(4.4)
Equity-settled transactions	17	-	-	-	-	17.5	17.5	-	17.5
Income tax on equity-settled transactions	6	-	-	-	-	(1.3)	(1.3)	-	(1.3)
Total contributions by and distributions to the owners of the Company		-	-	-	-	(161.1)	(161.1)	(16.6)	(177.7)
At 31 December 2022		16	257.8	(47.7)	6.4	1,065.9	1,284.0	34.3	1,318.3

* The tax paid on Share Awards vested is related to settlement of the tax obligation on behalf of employees by the Group via the sale of a portion of the equity-settled shares

Consolidated statement of changes in equity Continued

For the year ended 31 December	Notes	Attributable to equity holders of the Company							
		Other reserves							
		Share capital £m	Share premium £m	Translation reserve £m	Other £m	Retained earnings £m	Total before non-controlling interest £m	Non-controlling interest £m	Total equity £m
At 1 January 2023		**1.6**	**257.8**	**(47.7)**	**6.4**	**1,065.9**	**1,284.0**	**34.0**	**1,318.0**
Total comprehensive income for the year									
Profit		-	-	-	-	297.4	297.4	20.7	318.1
Other comprehensive (expense)/income		-	-	(86.1)	(0.1)	0.4	(85.8)	(2.2)	(88.0)
Total comprehensive income for the year		**-**	**-**	**(86.1)**	**(0.1)**	**297.8**	**211.6**	**18.5**	**230.1**
Transactions with owners of the Company recognised directly in equity									
Contributions by and distributions to the owners of the Company									
Dividends paid	15	-	-	-	-	(176.3)	(176.3)	(15.1)	(191.4)
Changes in non-controlling interest	28	-	-	-	-	-	-	(0.7)	(0.7)
Purchase of own shares	15	-	-	-	-	(11.6)	(11.6)	-	(11.6)
Tax paid on Share Awards vested*	17	-	-	-	-	(5.6)	(5.6)	-	(5.6)
Equity-settled transactions	17	-	-	-	-	21.2	21.2	-	21.2
Income tax on equity-settled transactions	5	-	-	-	-	0.1	0.1	-	0.1
Total contributions by and distributions to the owners of the Company		**-**	**-**	**-**	**-**	**(172.2)**	**(172.2)**	**(15.8)**	**(188.0)**
At 31 December 2023		**1.6**	**257.8**	**(133.8)**	**6.3**	**1,191.5**	**1,323.4**	**36.7**	**1,360.1**

* The tax paid on Share Awards vested is related to settlement of the tax obligation on behalf of employees by the Group via the sale of a portion of the equity-settled shares

Consolidated statement of cash flows

For the year ended 31 December	Notes	2023 £m	2022 £m
Cash flows from operating activities			
Profit for the year	2	**318.1**	306.8
Adjustments for:			
Depreciation charge	8	**156.0**	160.2
Amortisation of software	9	**19.3**	20.3
Amortisation of acquisition intangibles	9	**34.2**	34.8
Impairment of goodwill and other assets	8,9	**2.6**	15.3
Equity-settled transactions	17	**21.2**	17.5
Net financing costs	14	**63.9**	32.6
Income tax expense	6	**104.2**	113.0
Profit on disposal of property, plant, equipment and software		**(3.2)**	(0.4)
Operating cash flows before changes in working capital and operating provisions		**716.3**	700.1
Change in inventories		**(1.2)**	(0.6)
Change in trade and other receivables		**(41.2)**	(54.3)
Change in trade and other payables		**47.7**	61.1
Change in provisions		**4.3**	-
Special contributions to pension schemes	16	**-**	(2.0)
Cash generated from operations		**725.9**	704.1
Interest and other finance expense paid		**(71.9)**	(37.5)
Income taxes paid		**(119.0)**	(106.7)
Net cash flows generated from operating activities*		**535.0**	559.9
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment and software*		**11.5**	4.2
Interest received*		**3.5**	2.2
Acquisition of subsidiaries, net of cash acquired	10	**(40.5)**	(63.2)
Consideration paid in respect of prior year acquisitions		**(2.7)**	-
Acquisition of property, plant, equipment and software*		**(116.9)**	(116.5)
Net cash flows used in investing activities		**(145.1)**	(173.3)

For the year ended 31 December	Notes	2023 £m	2022 £m
Cash flows from financing activities			
Purchase of own shares	15	**(11.6)**	(2.3)
Tax paid on share awards vested		**(5.6)**	(4.4)
Drawdown of borrowings		**160.5**	477.2
Repayment of borrowings		**(249.6)**	(536.8)
Repayment of lease liabilities*		**(77.8)**	(81.4)
Purchase of non-controlling interest		**(0.7)**	-
Dividends paid to non-controlling interest	20	**(15.1)**	(16.6)
Equity dividends paid		**(176.3)**	(170.6)
Net cash flow generated from/(used in) financing activities		**(376.2)**	(334.9)
Net increase in cash and cash equivalents	14	**13.7**	51.7
Cash and cash equivalents at 1 January	14	**320.7**	264.0
Exchange adjustments	14	**(35.8)**	5.0
Cash and cash equivalents at 31 December	14	**298.6**	320.7

The notes on pages 7 to 50 are an integral part of these consolidated financial statements.

Cash outflow relating to Separately Disclosed Items was £23.1m for the year ended 31 December 2023 (2022: £139.9m).

* Free cash flow of £355.3m (2022: £358.4m) comprises the asterisked items in the above consolidated statement of cash flows.

1 Material accounting policies

Basis of preparation

Accounting policies applicable to more than one section of the financial statements are shown below. Where accounting policies relate to a specific note in the financial statements, they are set out within that note, to provide readers of the financial statements with a more useful layout for the financial information presented.

Statement of compliance

Intertek Group plc is a public company incorporated in England & Wales and domiciled in the UK, limited by shares.

The Group financial statements as at and for the year ended 31 December 2023 consolidate those of the Company and its subsidiaries (together referred to as the 'Group') and include the Group's interests in associates. Intertek Group plc transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact on changes in accounting policies from the transition. The Group financial statements have been prepared by the Directors in accordance with these accounting standards in conformity with the requirements of the Companies Act 2006. The Company financial statements present information about the Company as a separate entity and not about its Group. The Company has elected to prepare its Company financial statements in accordance with UK GAAP, comprising FRS 101 and applicable law; these are presented on pages 51 to 56.

Significant new accounting policies and standards

There are no significant new accounting standards or amendments to accounting standards that are effective for annual periods beginning on or after 1 January 2023 that have a material effect on the results of the Group.

Changes in accounting policies

The accounting policies set out in these financial statements have been applied consistently to all years presented, apart from those disclosed below. There are no new accounting standards that are effective for annual periods beginning on or after 1 January 2023 that have a material effect on the consolidated financial statements of the Group. There are no accounting standards that are issued but not yet effective that are expected to have a material effect on the consolidated financial statements of the Group.

Measurement convention

The financial statements are prepared on the historical cost basis except as discussed in the relevant accounting policies.

Functional and presentation currency

These consolidated financial statements are presented in sterling, which is the Company's functional currency. All information presented in sterling has been rounded to the nearest £0.1m.

Going concern

The Group has a broad customer base across its multiple business lines and in its different geographic regions and is supported by a robust balance sheet and strong operational cash flows.

The Board has reviewed the Group's financial forecasts up to 31 December 2025 to assess both liquidity requirements and debt covenants.

In addition, the Group's financial forecasts for 2024 and 2025, and the related liquidity position and forecast compliance with debt covenants, have been sensitised for a severe yet plausible decline in economic conditions (including an illustrative sensitivity scenario of a reduction of 30% to the base profit forecasts and the corresponding impact to cash flow forecasts in each of these years). In addition, reverse stress testing has also been applied to the model, which represents a significant decline in cash flows compared with the 30% downside sensitivity. Such a scenario is considered to be remote. The Board remains satisfied with the Group's funding and liquidity position, with the Group forecast to remain within its committed facilities and compliant with debt covenants even following the 30% downside sensitivity. The sensitivity modelling excludes additional mitigating actions (e.g. dividend cash payments, non-essential overheads and non-committed capital expenditure) that are within management control and could be initiated if deemed required.

The undrawn headroom on the Group's committed borrowing facilities at 31 December 2023 was £664.3m (2022: £707.3m). The maturity of our borrowing facilities is disclosed in note 14 of the financial statements, with the repayment of two senior notes totalling US$125m required by 31 December 2024. Our models forecast these to be repaid using existing facilities. Full details of the Group's borrowing facilities and maturity profile are outlined in note 14.

On the basis of its forecasts to 31 December 2025, both base case and the severe but plausible downside, and available facilities, the Board has concluded that there are no material uncertainties over going concern, including no anticipated breach of covenants and therefore the going concern basis of preparation continues to be appropriate.

Consideration of climate change

In preparing the financial statements, we have considered the impact of climate change (refer to Book one, page 58 for further information). There is no material impact on the financial reporting judgements and estimates arising from our considerations, which is consistent with the assertion that risks associated with climate change are not expected to have a material impact on the viability of the Group in the short, medium and long term. Specifically we note the following:

- The Group continues to invest in on-site renewable energy generation at our locations.
- We have specifically considered the impact of climate change on the carrying value of fixed assets (see note 8).
- The Group has not bought carbon credits in 2023 (2022: £nil) to offset our measured scope 1, 2 and 3 CO_2e emissions.

Government grants

Government grants are recognised in the income statement so as to match them with the related expenses that they are intended to compensate. Where grants are received in advance of the related expenses, they are initially recognised in the balance sheet and released to match the related expenditure. Non-monetary grants are recognised at fair value. The related cash flows are classified in accordance with the nature of the activity.

1 Material accounting policies Continued

Basis of consolidation

Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has power to direct the relevant activities, exposure to variable returns from the investee and the ability to use its power over the investee to affect the amount of investor returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

For purchases of non-controlling interests in subsidiaries, the difference between the cost of the additional interest in the subsidiary and the non-controlling interest's share of the assets and liabilities reflected in the consolidated statement of financial position at the date of acquisition is reflected directly in shareholders' equity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same ways as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities (for example cash, trade receivables, trade payables) denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are generally recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. For the policy on hedging of foreign currency transactions see note 14.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to sterling at foreign exchange rates ruling at the reporting date.

The income and expenses of foreign operations are translated into sterling at cumulative average rates of exchange during the year. Exchange differences arising from the translation of foreign operations are taken directly to equity in the translation reserve. They are released to the income statement upon disposal. For the policy on net investment hedging see note 14.

The most significant currencies for the Group were translated at the following exchange rates:

	Assets and liabilities Actual rates		Income and expenses Cumulative average rates	
Value of £1	31 December 2023	31 December 2022	2023	2022
US dollar	**1.28**	1.20	**1.24**	1.24
Euro	**1.15**	1.13	**1.15**	1.17
Chinese renminbi	**9.14**	8.45	**8.81**	8.31
Hong Kong dollar	**10.00**	9.37	**9.71**	9.68
Australian dollar	**1.87**	1.78	**1.87**	1.78

Key estimations and uncertainties

The preparation of financial statements in conformity with IFRSs (International Financial Reporting Standards) requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Discussed below are key assumptions concerning the future, and other key sources of estimation at the reporting date, that could have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Impairment of goodwill

Following recognition of goodwill as a result of acquisitions, the Group determines, as a minimum on an annual basis and including current year acquisitions, whether goodwill is impaired, which requires an estimation of the future cash flows of the cash-generating units to which the goodwill is allocated, as well as assumptions on growth rates and discount rates – see note 9. There is no significant risk of material impairment within the next financial year.

Employee post-retirement benefit obligations

For material defined benefit plans, the actuarial valuation includes assumptions such as discount rates, return on assets, salary progression and mortality rates. Further details and sensitivity analysis are included in note 16.

There are no critical accounting judgements.

Other accounting policies

Accounting policies relating to specific notes in the financial statements are set out within that note as follows:

	Note
Revenue	2
Separately disclosed items	3
Taxation	6
Property, plant and equipment	8
Goodwill and other intangible assets	9
Trade and other receivables	11
Trade and other payables	12
Provisions	13
Borrowings and financial instruments	14
Capital and reserves	15
Employee benefits	16
Share schemes	17
Non-controlling interest	20

2 Operating segments and presentation of results

Accounting policy

Revenue

Revenue represents the total amount receivable for services rendered when there is transfer of control to the customer, excluding sales-related taxes and intra-group transactions.

Revenue from services rendered on short-term projects is generally recognised in the income statement when the relevant service is completed, usually when the report of findings or test/inspection certificate is issued. Short-term projects are considered to be those of less than two months' duration.

In line with IFRS 15, rebates and customer discounts are considered to be variable consideration and have been deducted from recognised revenue.

Revenue is recognised using the five steps for revenue recognition. The majority of contracts are for less than one year. The Group records transactions as revenue on the basis of value of work done, with the corresponding amount being included in trade receivables if the customer has been invoiced, or in contract assets, if billing has yet to be completed. Performance obligations vary across business lines and regions, and on a contract-by-contract basis. There may be more than one performance obligation per contract, for example Alchemy Training Solutions contracts have multiple elements which are split between recognising revenue at a point in time for services such as right-of-use software licences, and over time for other services delivered under the same contract.

Long-term projects consist of two main types:

- time incurred, which is billed at agreed rates on a periodic basis, such as monthly, or
- staged payment invoicing, requiring an assessment of percentage of completion, based on services provided and revenue accrued accordingly.

Expenses are recharged to clients where permitted by the contract. Payments received in advance from customers are recognised in contract liabilities to the extent that performance obligations have not been satisfied.

The Group does not expect to have any material contracts where the period between the transfer of promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The Group has applied practical expedients in: i) recognising assets from the costs incurred to obtain or fulfil a contract; and ii) disclosing unsatisfied performance obligations in contracts as contracts have an expected duration of less than a year. The economic factors affecting revenue for both short- and long-term contracts are consistent within each.

Operating segments

The Group is organised into business lines, which are the Group's operating segments and are reported to the CEO, the chief operating decision maker.

Since we unveiled our AAA differentiated growth strategy to capitalise on the best-in-class operating platform we have built and target the areas where we have opportunities to get better, the reporting and performance management used by the CEO to make operating decisions has changed from the previous three segments to the Group's new five reportable segments set out below. The segment information for earlier periods has been re-presented to conform to these changes. The business lines within the new segments demonstrate similar mid- to long-term structural growth drivers.

When aggregating operating segments into the five reportable segments we have applied judgement over the similarities of the services provided, the wider economic impacts of the markets served within the segments, the customer base and the mid- to long-term structural growth drivers. Certain business lines within those former segments have also been reallocated to better align with the structural growth drivers of each segment.

The costs of the corporate head office and other costs which are not controlled by the five segments are allocated appropriately.

Inter-segment pricing is determined on an arm's length basis. There is no significant seasonality in the Group's operations. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The performance of the segments is assessed based on adjusted operating profit which is stated before Separately Disclosed Items. The operating segment revenue disclosures provided under IFRS 8 are consistent with the disaggregated revenue disclosure and recognition and measurement requirements of IFRS 15.

A reconciliation to operating profit by segment and Group profit for the year is included overleaf.

The principal activities of the reportable segments, and the customers they serve, are as follows:

Consumer products - Our Consumer Products segment focuses on the ATIC solutions we offer to our clients to develop and sell better, safer and more sustainable products to their own clients. This segment includes the following business lines: Soft Lines, Hard Lines, Electrical/Connected World and Government and Trade Services.

As a trusted partner to the world's leading retailers, manufacturers and distributors, the segment supports a wide range of industries including textiles, footwear, toys, hardlines, home appliances, consumer electronics, information and communication technology, automotive, aerospace, lighting, building products, industrial and renewable energy products, and healthcare.

Across these industries we provide a wide range of Assurance, Testing, Inspection and Certification ("ATIC") services including laboratory safety, quality and performance testing, and third-party certification. Our Government and Trade Services business provides inspection services to governments and regulatory bodies to support trade activities that help the flow of consumer products across borders, predominantly in the Middle East, Africa and South America.

2 Operating segments and presentation of results Continued

Corporate Assurance - Our Corporate Assurance segment focuses on the industry-agnostic assurance solutions we offer to our clients to make their value chains more sustainable and more resilient end-to-end. This segment includes Business Assurance and Assurris.

Intertek Business Assurance provides a full range of business process audit and support services, including accredited third-party management systems auditing and certification, second-party supplier auditing and supply chain solutions, sustainability data verification, process performance analysis and training. Assurris' global network of scientists, engineers and regulatory specialists provide clients with support to navigate complex scientific, regulatory, environmental, health, safety and quality challenges throughout their value chain.

Health and Safety - Our Health and Safety segment focuses on the ATIC solutions we offer to our clients to make sure we all enjoy a healthier and safer life. This segment includes Agri-Food, Food and Chemical & Pharma business lines. The division provides differing services which reflect the breadth of our ATIC offering, but the services provided are similar in nature and include analytical assessment, inspection and technical services that are delivered to the customers through issuing certificates or reports.

Our Agri-Food business provides assurance, testing, inspection and certification services across the entire agricultural supply chain.

Our Food business provides food safety testing, hygiene and safety audits, inspection, certification and advisory services to food companies.

Our Chemicals & Pharma business enables clients to mitigate risks associated with product quality and safety and processes, supporting them with their product development, regulatory authorisation, chemical testing and production.

Industry and Infrastructure - Our Industry and Infrastructure segment focuses on the ATIC solutions our clients need to develop and build better, safer and greener infrastructure. This segment includes Industry Services, Minerals and Building & Construction. The nature of the products and services offered across the segment are similar with services including technical inspections, asset integrity management and sample testing. These service lines interact through the customer type they serve - ATIC services to industry or infrastructure-related products and the inputs into these industries.

Our Industry Services business line uses its in-depth knowledge of industries such as renewable energy, oil and gas, and petrochemicals to provide customers with a diverse range of Total Quality Assurance solutions. The services we offer include technical inspection, non-destructive and materials testing and asset performance management.

Our Minerals business offers expert inspection, analytical testing and advisory services to the minerals, exploration, oil and gas, and mining industries. We cover each step of the supply chain from exploration, production, sampling and inspection, to commercial trade settlement analysis.

Our Building & Construction business provides testing, inspection, certification and engineering services to the building and construction industries, offering product-related testing and certification capabilities, project-related assurance, testing, inspection and consulting services.

World of Energy - Our World of Energy segment focuses on the ATIC solutions we offer to our clients to develop better and greener fuels as well as renewables. This segment includes Caleb Brett, Transportation Technologies (TTS) and Clean Energy Associates (CEA).

This segment consists of three global business lines with similar long-term growth drivers which are intrinsically linked to the wider economic factors, regulation over traditional hydrocarbons and sustainability of energy supply which impact the energy market. These business lines provide specialist cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

Our Caleb Brett business provides cargo and inventory inspection, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

TTS global network of laboratories provides diverse, rapid testing and validation services to the transportation market, evaluating to industry standards and international regulations, and delivers testing for new and emerging markets such as autonomous and connected vehicles, electric/hybrid vehicles, charging components, automotive telematics and aftermarket components.

CEA is a provider of quality assurance, supply-chain traceability and technical services to the solar energy, energy storage and green hydrogen sectors.

The results of these segments for the year ended 31 December are shown below:

Year ended 31 December 2023	Revenue from contracts with customers £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately Disclosed Items £m	Operating profit £m
Consumer Products	935.8	(55.4)	246.8	(15.1)	231.7
Corporate Assurance	477.5	(14.0)	109.4	(26.2)	83.2
Health and Safety	326.3	(21.7)	43.2	(4.9)	38.3
Industry and Infrastructure	860.5	(32.3)	86.1	(9.5)	76.6
World of Energy	728.6	(51.9)	65.6	(9.2)	56.4
Total	3,328.7	(175.3)	551.1	(64.9)	486.2
Group operating profit			551.1	(64.9)	486.2
Net financing costs			(43.9)	(20.0)	(63.9)
Profit before income tax			507.2	(84.9)	422.3
Income tax (expense)/credit			(124.8)	20.6	(104.2)
Profit for the year			382.4	(64.3)	318.1

2 Operating segments and presentation of results Continued

Year ended 31 December 2022 - (Represented)	Revenue from contracts with customers £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately Disclosed Items £m	Operating profit £m
Consumer Products	954.2	(58.0)	266.5	(11.0)	257.5
Corporate Assurance	450.0	(12.1)	95.5	(26.4)	69.1
Health and Safety	302.3	(22.2)	40.7	(6.2)	34.5
Industry and Infrastructure	814.4	(36.6)	71.9	(11.9)	60.0
World of Energy	662.0	(54.6)	43.5	(12.2)	31.3
Total	3,193.9	(180.5)	520.1	(67.7)	452.4
Group operating profit			520.1	(67.7)	452.4
Net financing costs			(31.9)	(0.7)	(32.6)
Profit before income tax			488.2	(68.4)	419.8
Income tax (expense)/credit			(126.4)	15.4	(111.0)
Profit for the year			359.8	(53.0)	306.8

Geographic segments

Although the Group is managed through a divisional structure, which operates on a global basis, under the requirements of IFRS 8 the Group must disclose activity specific countries that are important to the Group's performance. The Group considers the following to be the material countries in which it operates: the United States, China (including Hong Kong), the United Kingdom and Australia.

In presenting information on the basis of geographical segments, segment revenue is based on the location of the entity recognising that revenue. Segment assets are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2023 £m	2022 £m	2023 £m	2022 £m
United States	**1,022.5**	958.3	**1,083.3**	1,139.4
China (including Hong Kong)	**592.1**	561.3	**83.9**	97.3
United Kingdom	**217.0**	233.5	**247.4**	264.2
Australia	**176.1**	174.9	**528.9**	555.9
Other countries and unallocated	**1,321.0**	1,264.9	**442.8**	418.9
Total	**3,328.7**	3,192.9	**2,386.3**	2,475.7

Major customers

No revenue from any individual customer exceeded 10% of total Group revenue in 2023 or 2022.

3 Separately Disclosed Items

Accounting policy

Adjusted results

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately on the face of the income statement. Separately Disclosed Items ("SDIs") are items which by their nature or size, in the opinion of the Directors, should be excluded from the adjusted results to provide readers with a clear and consistent view of the business performance of the Group and its operating segments on a year-on-year basis. A full glossary and definitions of adjusted performance metrics used by the Group is included on page 64.

When applicable, these items include amortisation of acquisition intangibles, impairment of goodwill and other assets, the profit or loss on disposals of businesses or other significant non-current assets, the costs of acquiring and integrating acquisitions, the cost of any fundamental restructuring, the costs of any significant strategic projects, material claims and settlements, and unrealised mark-to-fair value gains or losses on financial assets or liabilities including contingent consideration.

Adjusted operating profit, which is a non-GAAP measure, excludes the amortisation of acquired intangible assets, primarily customer relationships, as we do not believe that the amortisation charge in the income statement provides useful information about the cash costs of running our businesses as these assets will be supported and maintained by ongoing marketing and promotional expenditure, which is already reflected in operating costs. Amortisation of software, however, is included in adjusted operating profit as it is similar in nature to other capital expenditure.

The costs associated with our cost reduction programme are excluded from adjusted operating profit where they represent changes associated with operational streamlining and technology upgrades and are costs that are not expected to reoccur. The restructuring programme, which began in 2022, is expected to last up to five years.

The treatment as SDI is consistent with the disclosure of costs for similar restructuring and strategic programmes previously undertaken.

The impairment of goodwill and other assets that by their nature or size are not expected to recur, the profit and loss on disposals of businesses or other significant assets and the costs associated with successful, active or aborted acquisitions are excluded from adjusted operating profit to provide useful information regarding the year-on-year performance of the Group's operations.

As adjusted results include the benefits of the items detailed above, but exclude significant costs related to these items, they should not be regarded as a complete picture of the Group's financial performance, which is presented on the face of the income statement under total results. The exclusion of these items may result in adjusted operating profit being materially higher or lower than total operating profit. In particular, where significant impairments, restructuring charges and legal costs are excluded in any year, adjusted operating profit will be higher than total operating profit.

3 Separately Disclosed Items Continued

Separately Disclosed Items

The Separately Disclosed Items are described in the table below:

		2023 £m	2022 £m
Operating costs:			
Amortisation of acquisition intangibles	(a)	(34.2)	(34.8)
Acquisition and integration costs	(b)	(8.3)	(5.5)
Restructuring costs	(c)	(22.4)	(27.4)
Total operating costs		(64.9)	(67.7)
Net financing costs	(d)	(20.0)	(0.7)
Total before income tax		(84.9)	(68.4)
Income tax credit on Separately Disclosed Items	(e)	20.6	15.4
Total		(64.3)	(53.0)

(a) Of the amortisation of acquisition intangibles in the current period £0.4m relates to the customer relationships acquired with the purchase of Controle Analitico Analises Tecnicas Ltda ("Controle Analitico") and £0.6m relates to the customer relationships, trademarks and technology acquired with the purchase of Playerlync Holdings Inc ("Playerlync") in 2023.

(b) Acquisition and integration costs comprise £4.7m (2022: £1.8m) for transaction and integration costs in respect of successful acquisitions in the current year, and £3.6m in respect of prior years' acquisitions (2022: £3.7m).

(c) During 2022, the Group initiated the first year of a cost reduction programme. In 2023, costs of £22.4m (2022: £27.4m) included consolidating sites and offices, streamlining headcount and related asset write-offs.

(d) Net financing costs of £20.0m (2022: £0.7m) relate to the unwinding of discount and changes in fair value of contingent consideration related to acquisitions. The increase in fair value of contingent consideration predominantly relates to the CEA acquisition made in 2022, with the strong EBITDA performance during the year driving an increase in the expected amount payable in 2024.

(e) Income tax credit on SDIs totalled £20.6m (2022: £15.4m) mainly relating to deferred tax impact of the movement in amortisation of intangibles.

4 Expenses and auditors' remuneration

An analysis of operating costs by nature is outlined below:

	2023 £m	2022 £m
Employee costs	1,450.2	1,394.7
Depreciation and software amortisation (notes 8 and 9)	175.3	160.5
Other expenses	1,217.0	1,135.3
Total	2,842.5	2,690.5

Certain expenses / (gains) are outlined in the table below, including fees paid to the auditors of the Group.

Mazars acts as external auditors of certain material and non-material entities within the Group. The total remuneration for the audit of these entities included in the table below was £0.6m (2022: nil).

	2023 £m	2022 £m
Included in profit for the year are the following expenses / (gains):		
Property rentals	6.8	7.3
Lease and hire charges - fixtures, fittings and equipment	14.5	13.4
Government grants related to employee costs	(3.6)	(6.7)
Profit on disposal of property, plant, equipment and software	(3.2)	(0.4)
Auditors' remuneration:		
Audit of these financial statements	1.6	1.2
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	4.2	4.7
Total audit fees payable pursuant to legislation	5.8	5.9
Audit-related services	0.2	0.2
Total	6.0	6.1

5 Employees

Total employee costs are shown below:

Employee costs	2023 £m	2022 £m
Wages and salaries	1,228.5	1,182.8
Equity-settled transactions	21.2	17.5
Social security costs	139.5	132.9
Pension costs (note 16)	61.0	61.5
Total employee costs	1,450.2	1,394.7

Details of pension arrangements and equity-settled transactions are set out in notes 16 and 17 respectively.

Average number of employees by division	2023	Represented 2022
Consumer Products	13,936	14,351
Corporate Assurance	3,946	3,757
Health and Safety	5,227	5,235
Industry and Infrastructure	9,966	9,899
World of Energy	8,530	8,373
Central	2,033	2,020
Total average number for the year ended 31 December	43,638	43,785
Total actual number at 31 December	43,908	43,597

5 Employees Continued

The total remuneration of the Directors is shown below.

Directors' emoluments	2023 £m	2022 £m
Directors' remuneration	4.9	3.5
Amounts charged under the long-term incentive scheme	2.9	1.2
Total Directors' emoluments	**7.8**	**4.7**

6 Taxation

Accounting policy

Income tax for the year comprises current and deferred tax. Income tax is recognised in the same primary statement as the accounting transaction to which it relates.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that the Group will be required to settle that tax liability. Measurements are dependent on management's expectation of the outcome of decisions by tax authorities in the various tax jurisdictions in which the Group operates. This is assessed on a case-by-case basis using in-house tax experts, professional firms and previous experience. Where the outcome of discussions with tax authorities is different from the amount initially recorded, this difference will impact the tax expense in the period in which the determination is made.

Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for:

- recognition of consolidated goodwill;
- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries, branches, associates and interests in joint ventures, the reversal of which is under the control of the Group and where it is probable that the difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date, for the periods when the asset is realised or the liability is settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that there are taxable temporary differences relating to the same taxation authority, the same taxable company or different taxable companies part of the same tax group, which are expected to reverse in the same period, or to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. In calculating future taxable profits, the future forecasts considered were consistent with those used for the purposes of the Group's going concern and viability assessments.

The Group does not currently expect the climate-related risks discussed in Book one, pages 58 to 66 to have an impact on the availability to recover the deferred tax assets identified below. Any additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax expense

The Group operates across many different tax jurisdictions. Income and profits are earned and taxed in the individual countries in which they occur.

The statutory tax charge, including the impact of SDIs, of £104.2m (2022: £113.0m), equates to an effective rate of 24.7% (2022: 26.9%) and the cash tax on adjusted results is 23.5% (2022: 21.9%). The income tax expense for the adjusted profit before tax for the 12 months ended 31 December 2023 is £124.6m (2022: £128.4m). The Group's adjusted effective tax rate for the 12 months ended 31 December 2023 is 24.6% (2022: 26.3%).

Differences between the consolidated effective tax rate of 24.7% and the weighted average notional statutory UK rate of 23.5% include but are not limited to the mix of profits, the effect of tax rates in foreign jurisdictions, non-deductible expenses, the effect of movement in unrecognised deferred tax assets, movements in the provision for uncertain tax positions, withholding tax on intra-group dividends, tax-exempt income, and under/over provisions in previous periods.

The Group receives tax incentives in certain jurisdictions, resulting in a lower tax charge to the income statement. These tax incentives mainly relate to China's High and New Technology Enterprise and Technology Advanced Service Enterprise incentives. Without these incentives the adjusted effective tax rate would be 25.9% (2022: 26.3%). The tax on SDIs primarily relates to intangibles, impairment of fixed assets, restructuring, integration and contingent consideration.

6 Taxation Continued

Tax charge

The total income tax charge, comprising the current tax charge and the movement in deferred tax, recognised in the income statement is analysed as follows:

	2023 £m	2022 £m
Current tax charge for the period	116.7	114.4
Adjustments relating to prior year liabilities	(0.7)	(6.7)
Current tax	**116.0**	**107.7**
Deferred tax movement related to current year	(11.6)	0.8
Deferred tax movement related to prior year	(0.2)	1.5
Deferred tax movement	**(11.8)**	**2.3**
Total tax in income statement	**104.2**	**113.0**
Tax on adjusted result	124.8	128.4
Tax on Separately Disclosed Items	(20.6)	(15.4)
Total tax in income statement	**104.2**	**113.0**

Reconciliation of effective tax rate

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective tax rate of the Group on profit before taxation.

	2023 £m	2022 £m
Profit before taxation	**422.3**	**419.8**
Notional tax charge at UK standard rate 23.5% (2022: 19.0%)	99.3	79.8
Differences in overseas tax rates	(1.0)	7.6
Withholding tax on intercompany dividends	6.9	8.5
Non-deductible expenses	13.4	20.7
Tax exempt income	(7.4)	(5.1)
Change in tax rate impact	(0.9)	(1.6)
Movement in unrecognised deferred tax	(0.4)	3.0
Adjustments in respect of prior years[1]	(0.9)	(2.2)
Other[2]	(4.8)	2.3
Total tax in income statement	**104.2**	**113.0**

1. Adjustments in respect of prior years mainly relate to current and deferred tax adjustments for the UK, the U.S, Australia and China.
2. The Other category contains R&D tax incentives and expenditure deductions of £4.0m (2022: £2.6m), a net £3.3m credit on provisions (2022: £2.7m charge) following a review of uncertain tax positions across multiple territories and other local taxes.

The main rate of UK corporation tax from 1 April 2023 is 25.0%. As the rate of UK corporation tax until 31 March 2023 was 19.0%, the weighted average UK corporation tax rate applicable for the year ended 31 December 2023 is 23.5%. Deferred tax on UK temporary differences at 31 December 2023 has been provided at 25%.

On 20 June 2023, Finance (No 2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax and will apply to Intertek from the financial year ending 31 December 2024 onwards. Based on initial analysis using prior year financial data, most territories in which the Group operates are expected to qualify for one of the safe harbour exemptions and where this is not the case, the incremental tax arising under Pillar Two is not expected to be material. The Group is monitoring the status of implementation of the OECD Pillar Two Model Rules outside of the UK. Intertek has applied the exception under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

Income tax recognised in other comprehensive income ('OCI')

As noted in the accounting policy, tax is recognised in the same place as the relevant accounting charge. The income tax recognised on items recorded in other comprehensive income is shown below:

	Before tax 2023 £m	Tax charge 2023 £m	Net of tax 2023 £m	Before tax 2022 £m	Tax charge 2022 £m	Net of tax 2022 £m
Foreign exchange translation differences of foreign operations	(147.1)	4.9	(142.2)	161.5	(4.9)	156.6
Net exchange gain/(loss) on hedges of net investments in foreign operations	58.8	(2.0)	56.8	(12.0)	-	(12.0)
(Loss)/Gain on fair value of cash flow hedges	(0.1)	-	(0.1)	-	4.1	4.1
Remeasurements on defined benefit pension schemes	(2.6)	0.1	(2.5)	17.4	(3.5)	13.9
Tax on other items that will never be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive (expense)/income for the year	**(91.0)**	**3.0**	**(88.0)**	**78.9**	**(4.3)**	**74.6**

6 Taxation Continued

Income tax recognised directly in equity

As noted in the accounting policy, tax is recognised in the same place as the relevant accounting charge. The income tax on items recognised in equity is shown below:

	Before tax 2023 £m	Tax charge 2023 £m	Net of tax 2023 £m	Before tax 2022 £m	Tax charge 2022 £m	Net of tax 2022 £m
Equity-settled transactions	21.2	0.1	21.3	17.5	(1.3)	16.2

Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2023 £m	Assets 2022 £m	Liabilities 2023 £m	Liabilities 2022 £m	Net 2023 £m	Net 2022 £m
Intangible assets	1.0	0.2	(81.2)	(94.0)	(80.2)	(93.8)
Property, plant and equipment	71.5	4.2	(85.0)	(17.3)	(13.5)	(13.1)
Pensions	1.0	0.7	(5.1)	(4.8)	(4.1)	(4.1)
Equity-settled transactions	5.8	5.3	-	-	5.8	5.3
Provisions and other temporary differences	56.5	60.7	(13.7)	(22.9)	42.8	37.8
Tax value of losses	10.3	13.7	-	-	10.3	13.7
Total	**146.1**	84.8	**(185.0)**	(139.0)	**(38.9)**	(54.2)
As shown on balance sheet:						
Deferred tax assets*					36.4	45.0
Deferred tax liabilities*					(75.3)	(99.2)
Total					**(38.9)**	(54.2)

* The deferred tax by category shown above is not netted off within countries or jurisdictions. The balance sheet shows the net position within companies or jurisdictions. The difference between the two asset and liability totals is £139.7m, but the net liability of £38.9m is the same in both cases. Included within Property, fixtures, fittings and equipment is a deferred tax asset of £68.5m and a deferred tax liability of £63.6m in respect of leasing transactions. Deferred tax assets and deferred tax liabilities are shown separately following the adoption of Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The effective split of the net deferred asset of £5.8m as at 31 December 2022 is a deferred tax asset of £70.6m in respect of lease liabilities and a deferred tax liability of £63.5m in respect of right-of-use assets. Deferred tax assets totalling £9.3m have been recognised primarily in respect of Brazil and Canada that have taxable losses either in the current or prior period. In evaluating whether it is probable that taxable profits will be earned in future accounting periods, available evidence was considered, including approved budgets and forecasts. Following this evaluation, it is considered more likely than not that there will be sufficient future taxable profits to realise these deferred tax assets, the majority of which can be carried forward indefinitely excluding £0.3m losses which are due to expire within five years and £0.5m losses which are due to expire after five years. Of the £146.1m of deferred tax assets displayed above, £14.5m are expected to be recovered within 12 months of the date of this Annual Report and Accounts.

Movements in deferred tax temporary differences during the year

The movement in the year in deferred tax assets and liabilities is shown below:

	1 January 2023 £m	Exchange adjustments £m	Acquisitions £m	Recognised in income statement £m	Recognised in equity and OCI £m	31 December 2023 £m
Intangible assets	(93.8)	3.8	(4.9)	11.7	3.0	(80.2)
Property, fixtures, fittings and equipment	(13.1)	0.8	(0.5)	(1.0)	0.3	(13.5)
Pensions	(4.1)	-	-	(0.1)	0.1	(4.1)
Equity-settled transactions	5.3	-	-	0.4	0.1	5.8
Provisions and other temporary differences	37.8	(1.7)	(0.4)	4.5	2.6	42.8
Tax value of losses	13.7	(0.7)	-	(3.7)	1.0	10.3
Total	(54.2)	2.2	(5.8)	11.8	7.1	(38.9)

	1 January 2022 £m	Exchange adjustments £m	Acquisitions £m	Recognised in income statement £m	Recognised in equity and OCI £m	31 December 2022 £m
Intangible assets	(90.6)	(2.2)	(8.0)	17.0	-	(93.8)
Property, fixtures, fittings and equipment	3.2	0.1	-	(16.4)	-	(13.1)
Pensions	(0.2)	-	-	(0.4)	(3.5)	(4.1)
Equity-settled transactions	7.7	-	-	(1.1)	(1.3)	5.3
Provisions and other temporary differences	40.8	3.8	(3.1)	(0.8)	-	37.8
Tax value of losses	10.9	0.6	2.6	(0.6)	-	13.7
Total	(28.2)	(1.7)	(8.3)	(2.3)	(4.8)	(54.2)

6 Taxation Continued

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the items shown below. The numbers shown are the gross temporary differences, and to calculate the potential deferred tax asset it is necessary to multiply these by the tax rates in each case.

	2023 £m	2022 £m
Intangibles	33.9	32.3
Pensions	1.5	1.5
Provisions and other temporary differences	3.6	2.0
Tax losses	165.4	176.0
Foreign tax credits[1]	9.9	13.5
Property, fixtures, fittings and equipment	(0.1)	-
Total	**214.2**	**224.3**

1 The total unrecognised foreign tax credits is £27m, the grossed-up equivalent amount of which is £9.9m as stated above.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available in certain jurisdictions against which the Group can utilise the benefits from them.

Of the unrecognised tax losses above, £106.9m (2022: £110.8m) of these relate to US state tax losses due to insufficient taxable profits expected in the relevant states. In addition, £9.2m (2022: £8.2m) of these unrecognised losses relate to a dormant company resident in Hong Kong with no probable future profits. A further £13.8m (2022: £14.8m) of these unrecognised losses relate to entities based in the UK, however these mainly relate to (i) non-trade deficits in entities where there is no probable prospect of future non-trade profits and (ii) capital losses where there is uncertainty on their utilisation in future periods.

There is a temporary difference of £362.5m (2022: £285.1m) which relates to unremitted post-acquisition overseas earnings. No deferred tax is provided on this amount as the distribution of these retained earnings is under the control of the Group and there is no intention to either repatriate from, or sell, the associated subsidiaries in the foreseeable future.

Expiry of unrecognised deferred tax assets - tax losses and tax credits

	2023 £m	2022 £m
Tax losses expiring:		
Within 10 years	37.6	51.2
More than 10 years	76.5	73.0
Available indefinitely	51.3	51.8
Total	**165.4**	**176.0**
Tax credits expiring:		
Within 10 years	9.9	13.5
More than 10 years	-	-
Available indefinitely	-	-
Total	**9.9**	**13.5**

In addition to the above, no specific time expiry is anticipated in respect of the other unrecognised deferred tax assets.

7 Earnings per ordinary share

The calculation of earnings per ordinary share is based on profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares. Potential ordinary shares shall be treated as dilutive when and only when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

In addition to the earnings per share required by IAS 33 Earnings Per Share, an adjusted earnings per share item has also been calculated and is based on earnings excluding the effect of amortisation of acquisition intangibles, goodwill impairment and other Separately Disclosed Items. It has been calculated to allow shareholders a better understanding of the trading performance of the Group. Details of the adjusted earnings per share are set out below:

	2023 £m	2022 £m
Profit attributable to ordinary shareholders	**297.4**	268.8
Separately Disclosed Items after tax (note 5)	**64.3**	53.0
Adjusted earnings	**361.7**	321.8
Number of shares (millions)		
Basic weighted average number of ordinary shares	**161.3**	161.2
Potentially dilutive share awards	**0.9**	0.7
Diluted weighted average number of shares	**162.2**	161.9
Basic earnings per share	**184.4p**	179.2p
Impact of potentially dilutive share awards	**(1.0)p**	(0.8)p
Diluted earnings per share	**183.4p**	178.4p
Adjusted basic earnings per share	**224.2p**	212.0p
Impact of potentially dilutive share awards	**(1.2)p**	(0.9)p
Adjusted diluted earnings per share	**223.0p**	211.1p

8 Property, plant and equipment

Accounting policy

Property, plant and equipment

Owned assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Leased assets

All leases where the Group is the lessee (with the exception of short-term and low-value leases) are recognised in the statement of financial position. A lease liability is recognised based on the present value of the future lease payments, and a corresponding right-of-use asset is recognised. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the asset. Lease payments are apportioned between finance charges and a reduction of the lease liability.

Low-value items, usually below £5,000, and short-term leases with a term of 12 months or less are not required to be recognised on the balance sheet and payments made in relation to these leases are recognised on a straight-line basis in the income statement. The Group leases various properties, principally offices and testing laboratories, which have varying terms and renewal rights that are typical to the territory in which they are located. Non-property includes all other leases such as cars and printers. Normally the lease term is the contractual start to end date, except where a break or extension option is reasonably certain to be taken, which is considered on a lease-by-lease basis.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Leased assets are depreciated over the shorter of the expected lease term and their useful lives. Freehold land is not depreciated.

The estimated useful lives are as follows:

Freehold buildings	50 years
Leasehold buildings	Term of lease
Fixtures, fittings, plant and equipment	3 to 10 years

Depreciation methods, residual values and the useful lives of assets are reassessed at each reporting date.

Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the level of any impairment.

Property, plant and equipment

The property, plant and equipment employed by the business is analysed below:

	Land and buildings £m	Fixtures, fittings, plant and equipment £m	Total £m
Cost			
At 1 January 2022	577.2	1,175.0	1,752.2
Exchange adjustments	38.0	67.9	105.9
Additions	87.5	110.4	197.9
Disposals	(57.4)	(54.2)	(111.6)
Businesses acquired (note 10)	-	0.1	0.1
At 31 December 2022	645.3	1,299.2	1,944.5
Accumulated depreciation			
At 1 January 2022	276.9	833.5	1,110.4
Exchange adjustments	20.2	55.7	75.9
Charge for the year	36.4	93.8	130.2
Impairments	-	2.4	2.4
Disposals	(44.7)	(52.1)	(96.8)
At 31 December 2022	318.8	934.3	1,253.1
Net book value at 31 December 2022	326.5	364.9	691.4

8 Property, plant and equipment Continued

	Land and buildings £m	Fixtures, fittings, plant and equipment £m	Total £m
Cost			
At 1 January 2023	645.3	1,299.2	1,944.5
Exchange adjustments	(29.0)	(78.3)	(107.3)
Additions	65.4	116.1	181.5
Disposals	(48.1)	(64.1)	(112.2)
Businesses acquired (note 10)	0.8	1.4	2.2
At 31 December 2023	634.4	1,274.3	1,908.7
Accumulated depreciation			
At 1 January 2023	315.8	934.3	1,250.1
Exchange adjustments	(15.0)	(59.5)	(74.5)
Charge for the year	65.6	90.4	156.0
Impairments	-	2.6	2.6
Disposals	(34.6)	(60.5)	(95.1)
At 31 December 2023	331.8	907.3	1,239.1
Net book value at 31 December 2023	302.6	367.0	669.6

Fixtures, fittings, plant and equipment include assets in the course of construction of £41.7m at 31 December 2023 (2022: £33.5m), mainly comprising laboratories under construction. These assets will not be depreciated until they are available for use.

The net book value of land and buildings comprised:

	2023 £m	2022 £m
Freehold	47.7	56.6
Leasehold	254.9	272.9
Total	302.6	329.5

Contracts for capital expenditure which are not provided in the financial statements amounted to £72m (2022: £74m).

We have specifically reviewed our portfolio of freehold properties (total 2023 net book value of £47.7m (2022: £56.6m)) to consider whether there are indications of material impairment arising from the potential physical risks arising from climate change. We have not impaired any assets this year as a result of this exercise.

As a result of the Group's cost reduction programme initiated in 2022, there were individual fixtures fittings, plant and equipment assets no longer in use which resulted in an impairment of £2.6m (2022: £2.4m), with the cost recognised in SG&A as a restructuring cost (see note 3).

The net book value of the right-of-use asset for leases comprised:

	Land and buildings £m	Other £m	Total £m
At 1 January 2022	240.3	26.5	266.8
Cost movement in year	63.1	4.9	68.0
Depreciation movement in year	(33.9)	(3.9)	(37.8)
Net book value at 31 December 2022	269.5	28.1	297.6

	Land and buildings £m	Other £m	Total £m
At 1 January 2023	269.5	28.1	297.6
Cost movement in year	(0.1)	4.7	4.6
Depreciation movement in year	(18.1)	2.5	(15.6)
Net book value at 31 December 2023	251.3	35.3	286.6

For lease liabilities, interest expenses on lease liabilities and cash outflows for leases, refer to note 14; for expense relating to short-term leases and leases of low-value assets, refer to note 4.

Other leases include motor vehicles, office equipment and fixtures and fittings.

9 Goodwill and other intangible assets

Accounting policy

Goodwill

Goodwill arises on the acquisition of businesses. Goodwill represents the difference between the cost of acquisition and the Group's interest in the fair value of the identifiable assets and liabilities acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units (CGUs) and is not amortised but is tested annually for impairment.

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is obtained.

The Group measures goodwill as the fair value of the consideration transferred less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Costs related to the acquisition of items other than those associated with the issue of debt or equity securities, are expensed as incurred. Costs relating to acquisitions are shown in note 3.

Any contingent consideration payable is recognised at fair value at the acquisition date with subsequent changes recognised in profit or loss.

If at the reporting date the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities can only be established provisionally, then these values are used. Adjustments to the fair values can be made within 12 months of the acquisition date and are taken as adjustments to goodwill.

Other intangible assets

When the Group makes an acquisition, management reviews the business and assets acquired to determine whether any intangible assets should be recognised separately from goodwill. If, based on management's judgement, such an asset is identified, then it is valued by discounting the probable future cash flows expected to be generated by the asset, over the estimated life of the asset. Where there is uncertainty over the amount of economic benefit and the useful life, this is factored into the calculation.

Intangible assets arising on acquisitions and computer software are stated at cost less accumulated amortisation and accumulated impairment losses. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable and which have finite useful lives.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives. The estimated useful lives are as follows:

Computer software	Up to 7 years
Customer relationships	Up to 20 years
Technology and know-how	Up to 15 years
Trade names	Up to 18 years
Licences	Contractual life
Covenants not to compete	Contractual life

Impairment

Goodwill is not subject to amortisation and is tested annually for impairment and when circumstances indicate that the carrying value may be impaired. Goodwill is also tested for impairment in the year of any acquisition.

Other intangible assets are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the amount carried in the statement of financial position may be less than its recoverable amount.

Any impairment is recognised in the income statement within operating costs. Impairment is determined for goodwill by assessing the recoverable amount of each asset or group of assets, ie CGU, to which the goodwill relates. A CGU represents an asset grouping at the lowest level for which there are separately identifiable cash flows.

The recoverable amount of an asset or a CGU is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The estimation process is complex due to the inherent risks and uncertainties and if different estimates were used this could materially change the projected value of the cash flows. An impairment loss in respect of goodwill is not reversed.

9 Goodwill and other intangible assets Continued

Intangibles

The intangibles employed by the business are analysed below:

		Other intangible assets				
	Goodwill £m	Customer relationships £m	Technology/ Know-how and trade names £m	Other acquisition intangibles £m	Computer software £m	Total other intangible assets £m
Cost						
At 1 January 2022	1,763.9	496.3	97.4	29.2	245.7	868.6
Exchange adjustments	135.2	33.8	8.7	2.0	21.7	71.2
Additions	-	-	-	-	20.4	20.4
Transfers	5.8	-	2.9	-	-	2.9
Disposals	-	-	-	-	(5.3)	(5.3)
Businesses acquired (note 10)	66.6	12.1	3.2	-	-	15.3
At 31 December 2022	1,975.5	547.2	112.2	31.2	282.5	973.1
Accumulated amortisation						
At 1 January 2022	522.5	327.7	25.9	25.9	130.6	510.1
Exchange adjustments	34.6	25.0	2.7	1.7	10.9	37.4
Charge for the year	-	22.2	11.3	1.3	20.3	55.1
Disposals	-	-	-	-	(5.3)	(5.3)
Impairment	-	-	-	-	12.9	12.9
At 31 December 2022	557.1	372.9	39.9	28.9	168.5	610.2
Net book value at 31 December 2022	1,418.4	174.3	72.3	2.3	114.0	362.9

		Other intangible assets				
	Goodwill £m	Customer relationships £m	Technology/ Know-how and trade names £m	Other acquisition intangibles £m	Computer software £m	Total other intangible assets £m
Cost						
At 1 January 2023	**1,975.5**	547.2	112.2	31.2	282.5	**973.1**
Exchange adjustments	**(83.1)**	(21.8)	(5.5)	(1.0)	(15.2)	**(43.5)**
Additions	**-**	-	-	-	23.9	**23.9**
Transfers	**0.3**	-	-	-	-	**-**
Disposals	**-**	-	-	-	(6.5)	**(6.5)**
Businesses acquired (note 10)	**30.2**	8.0	8.6	-	-	**16.6**
At 31 December 2023	**1,922.9**	533.4	115.3	30.2	284.7	**963.6**
Accumulated amortisation						
At 1 January 2023	**557.1**	372.9	39.9	28.9	168.5	**610.2**
Exchange adjustments	**(20.0)**	(13.5)	(2.2)	(0.9)	(8.1)	**(24.7)**
Charge for the year	**-**	21.9	13.5	0.8	19.3	**53.5**
Disposals	**-**	-	-	-	(6.3)	**(6.3)**
Impairment	**-**	-	-	-	-	**-**
At 31 December 2023	**537.1**	381.3	49.2	28.8	173.4	**632.7**
Net book value at 31 December 2023	**1,385.8**	152.1	66.1	1.4	111.3	**330.9**

Other intangible assets

Computer software additions of £23.9m (2022: £20.4m) relates to separately acquired computer software of £9.9m (2022: £6.9m) and internally developed intangible assets of £14.0m (2022: £13.5m).

The other acquisition intangibles net book value of £1.4m (2022: £2.3m) consists of guaranteed income, order backlog, licences and non-compete covenants.

The average remaining amortisation period for customer relationships is seven years (2022: seven years).

As a result of the Group's cost reduction programme initiated in 2022, there were two individual technology assets no longer in use which resulted in an impairment of £12.9m in 2022, with the cost recognised in SDI as a restructuring cost (see note 3). No impairment related to IT assets was incurred in 2023.

Computer software net book value of £111.3m (2022: £114.0m) includes software in construction of £41.5m (2022: £42.8m). Research and development expenditure of £38.7m (2022: £37.6m) was recognised as an expense in the year.

9 Goodwill and other intangible assets Continued

Goodwill

Goodwill arising from acquisitions in the current and prior year has been allocated to reportable segments as follows:

	2023 £m	Represented 2022 £m
Consumer Products	-	-
Corporate Assurance	17.0	-
Health and Safety	13.2	-
Industry and Infrastructure	-	-
World of Energy	-	66.6
At 31 December	**30.2**	66.6

In performing our annual impairment testing, the recoverable amount of each CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows. In order to reflect the changes to the Group's strategy described in note 2, and consequential changes to the monitoring of goodwill by management, the number of CGUs to which goodwill is allocated has increased from 13 to 17. This change had no impact on the carrying value of goodwill.

The goodwill held in the CGUs and aggregated groups of CGUs shown below is considered significant with respect to the total carrying amount of goodwill at 31 December 2023:

	2023 pre-tax discount rate	2023 £m	Represented 2022 £m
Consumer Products[1]	11.9-12.1%	**104.0**	104.9
Corporate Assurance[2]	12.0-12.2%	**705.1**	725.5
Health and Safety[3]	12.1-13.4%	**150.2**	137.5
Industry and Infrastructure[4]	11.4-13.3%	**271.5**	288.4
World of Energy[5]	12.0-13.0%	**155.0**	162.1
At 31 December[6]		**1,385.8**	1,418.4

1 Within Consumer Products, goodwill allocated to the Electrical and Connected Home CGU was £88.5m (2022: £89.4m) and the pre-tax discount rate was 12.1%.

2 Within Corporate Assurance, goodwill allocated to the Business Assurance CGU was £659.3m (2022: £720.0m), and the pre-tax discount rate was 12.0%.

3 Within Health and Safety, goodwill allocated to the Food CGU is £40.8m (2022: £41.4m), and goodwill allocated to the Chemical & Pharma CGU is £75.6m (2022: £78.2m). Pre-tax discount rates were 12.1% and 13.4% respectively.

4 Within Industry and Infrastructure, goodwill allocated to the Minerals CGU is £35.9m (2022: £38.8m) and goodwill allocated to the Building & Construction CGU is £223.2m (2022: £236.2m). Pre-tax discount rates were 13.3% and 12.1% respectively.

5 Within World of Energy, goodwill allocated to the Calex Brett CGU is £42.5m (2022: £45.3m), goodwill allocated to the Transportation Technologies CGU is £44.3m (2022: £46.9m) and goodwill allocated to the CEA CGU is £63.6m (2022: £65.6m), as discussed in note 10. Pre-tax discount rates were 13.6%, 12.6% and 12.0% respectively.

6 All goodwill is recorded in local currency. Additions during the year are converted at the exchange rate on the date of the transaction and the goodwill at the end of the year is stated at closing exchange rates.

Impairment review

In order to determine whether impairments are required, the Group estimates the recoverable amount of each CGU. The calculation is based on projecting future cash flows over a five-year period and using a terminal value to incorporate expectations of growth thereafter. The long-term growth rate is used in the perpetuity calculations. A discount factor is applied to obtain a value in use which is the recoverable amount. Goodwill arising in year from acquisitions is assessed for impairment separately from the above CGUs and on an acquisition-by-acquisition basis. There was no impairment of goodwill for Controle Analitico or Payer Sync from the date of acquisition to 31 December 2023. There would be no impact on the impairment review through the inclusion of Controle Analitico and Payer Sync within the CGU review. No impairments were required on goodwill arising in 2023 (2022: no impairments).

The calculation of the value in use includes assessment of long-term growth rates and discount rates. Long-term growth rates predict growth beyond the Group's planning cycle, and range from 2.5% to 3.0% (2022: 1.7% to 2.6%). The discount rate for each CGU is based on the Group's weighted average cost of capital adjusted for the risks specific to the CGU. Pre-tax discount rates ranged from 11.4% to 13.4% (2022: 9.0% to 10.2%). The underlying cash flows include consideration of the potential impact of inflation.

Key assumptions

The key assumptions include the rate of revenue and profit growth within each of the territories and business lines in which the Group operates. These are based on the Group's approved budget and five-year strategic plan. Finally, the discount rate used to bring the cash flow back to a present value varies depending on the location of the operation and the nature of the operations. The estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Sensitivity analysis

None of the reasonable downside sensitivity scenarios on key assumptions would cause the carrying amount of each CGU to exceed its recoverable amount. The sensitivities modelled by management include:

(i) Assuming revenues decline each year by 1% in 2024 to 2028 from the 2024 budgeted revenues, with margins increasing with base assumptions.

(ii) Assuming zero growth in operating profit margins in 2024 to 2028 with revenues increasing per base assumptions.

(iii) Assuming an increase in the discount rates used by 1%.

Management considers that the likelihood of any one of the above scenarios occurring is low.

10 Acquisitions

Acquisitions in 2023

On 31 March 2023, the Group acquired Controle Analítico Análises Técnicas Ltda ('Controle Analítico'), a leading provider of environmental analysis, with a focus on water testing, based in Brazil, for a purchase price of £18.6m. Purchase consideration net of cash acquired was £18.3m. The purchase price includes cash consideration of £15.1m and a further contingent consideration payable of £3.7m. The net cash outflow in the period associated with this acquisition was £14.6m.

The acquisition of Controle Analítico represents an attractive and complementary opportunity for the Group to expand its leading Food and Agri Total Quality Assurance solutions in Brazil by expanding our presence and service offering in the environmental testing market.

On 9 August 2023, the Group acquired PlayerLync Holdings, Inc. ('PlayerLync'), a leading SaaS-based platform which combines mobile learning, operational support and compliance, content management and people engagement, on a single application, based in the USA, for a purchase price of £28.5m. Purchase consideration net of cash acquired was £25.9m. The net cash outflow in the period associated with this acquisition was £25.8m.

The acquisition creates compelling additional growth opportunities for Intertek to strengthen its existing People Assurance service offering, further enhancing the Group's differentiated Total Quality Assurance proposition and Science-based Customer Excellence advantage.

Provisional details of the net assets acquired and fair value adjustments are set out in the following tables. These analyses are provisional and amendments may be made to these figures in the 12 months following the date of acquisition.

Controle Analítico Análises Técnicas Ltda Total	2023 Provisional fair value to Group on acquisition £m
Property, plant and equipment	2.2
Goodwill	13.2
Other intangible assets	5.4
Trade and other receivables	0.6
Trade and other payables	(0.8)
Deferred tax liabilities	(2.3)
Net assets acquired (net of cash acquired)	**18.3**

PlayerLync Holdings, Inc Total	2023 Provisional fair value to Group on acquisition £m
Goodwill	17.0
Other intangible assets	11.2
Trade and other receivables	3.0
Trade and other payables	(1.9)
Deferred tax liabilities	(3.4)
Net assets acquired (net of cash acquired)	**25.9**

Goodwill and intangible assets

The total goodwill arising on acquisitions made during 2023 was £30.2m, of which £nil is expected to be deductible for tax purposes. The goodwill arising represents the value of the assembled workforce and the benefits the Group expects to gain from increasing its presence in the relevant sectors in which the acquired businesses operate. The intangible assets of £16.6m primarily represent the value of customer relationships, trade names and technology. The final values will be calculated within 12 months following the date of acquisition. The deferred tax thereon was £5.7m.

Consideration paid

The total cash consideration for the acquisitions in the year was £43.6m (2022: £79.3m), with further contingent consideration payable of £5.5m (2022: £12.9m) that comprises £3.7m purchase consideration and £1.8m revaluation of contingent consideration recognised during the year, which is discussed in note 13. Cash consideration includes cash acquired of £3.1m (2022: £3.4m). The estimated purchase price net of cash was £40.5m (2022: £55.8m).

Contribution of acquisitions to revenue and profits

In total, acquisitions made during 2023 contributed revenues of £5.1m (2022: £1.9m) and a statutory net profit after tax of £1.4m (2022: £2.1m) from the date of acquisition to year-end. The Group revenue and statutory profit after tax for the year ended 31 December 2023 would have been £3,334.5m and £316.6m respectively if the acquisitions were assumed to have been made on 1 January 2023.

Acquisition-related costs

Acquisition-related costs of £1.3m related to current year acquisitions are included in operating costs in the consolidated income statement as an SDI (see note 3) and in operating cash flows in the consolidated statement of cash flows.

10 Acquisitions Continued

Acquisitions in 2022

On 1 August 2022 the Group acquired Clean Energy Associates, LLC ('CEA') a market-leading independent provider of Total Quality Assurance, supply chain traceability and technical services to the fast-growing solar energy and energy storage sectors with a headquarters in the USA and an operation based in China, for a purchase price of US$112.4m (£92.2m). Purchase consideration net of cash acquired was US$96.1m (£78.8m). The purchase price includes cash consideration of £78.8m and a further contingent consideration payable of £12.9m. Goodwill of £66.6m was generated in this purchase.

The net assets acquired and fair value adjustments are set out in the following table.

Clean Energy Associates LLC Total	2022 Fair value to Group on acquisition £m
Property, plant and equipment	0.1
Goodwill	66.6
Other intangible assets	15.3
Trade and other receivables	5.9
Trade and other payables	(5.5)
Provisions for liabilities and charges	-
Deferred tax liabilities	(3.6)
Net assets acquired (net of cash acquired)	**78.8**

The provisional fair values disclosed in 2022 have been updated for CEA resulting in an increase in goodwill of £0.3m and movements in trade and other receivables and trade and other payables. These fair value adjustments were made in the 12 months following the acquisition and are now final.

Key assumptions

The key assumptions in deriving the contingent consideration to be recognised include the weighted probability of making a payout and the discount rate used to bring the cash flow back to present values. The discount rates used for the calculation are aligned with the discount rates used for impairment purposes as set out in note 9.

Sensitivity analysis

It is estimated that an increase of 1% in the discount rate used to calculate the contingent consideration would have decreased the financial liability by £0.3m, and a 1% decrease in the discount rate would have increased the financial liability by £0.3m. It has also been estimated that an increase of 10% in the probability used to calculate the contingent consideration would have increased the financial liability by £3.6m, whilst a decrease of 10% in the probability used would have decreased the financial liability by £3.6m.

11 Trade and other receivables

Accounting policy

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. The Group applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all receivables, including contract assets. The provision calculations are based on historical credit losses and forward-looking data, namely specific country risk classifications with higher default rates applied to older balances. This approach is followed for all receivables unless there are specific circumstances, such as the bankruptcy of a customer or emerging market risks, which would render the receivable irrecoverable and therefore require a specific provision. A provision is made against trade receivables and contract assets until such time as the Group believes the amount to be irrecoverable, after which the trade receivable or contract assets balance is written off.

Trade and other receivables

Trade and other receivables are analysed below:

	Current 2023 £m	Current 2022 £m	Non-current 2023 £m	Non-current 2022 £m
Trade receivables	**512.7**	519.2	**13.9**	13.1
Contract assets	**107.2**	100.4	**-**	-
Other receivables	**52.0**	59.4	**7.9**	8.4
Prepayments	**53.2**	47.4	**-**	-
Total trade and other receivables	**725.1**	726.4	**21.8**	21.5

Trade receivables and contract assets are shown net of allowance for impairment losses of £11.2m (2022: £13.8m) and £1.6m (2022: £1.7m) respectively. Net impairment on trade receivables and contract assets charged as part of operating costs was £2.3m (2022: £9.4m credit) and £nil (2022: £0.1m), respectively.

There is no material difference between the above amounts for trade and other receivables and their fair value due to their short-term duration. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers who are internationally dispersed. Non-current receivables are discounted to the present value using an appropriate discount rate.

11 Trade and other receivables Continued

The ageing of trade receivables and contract assets at the reporting date was as follows:

	2023 £m	2022 £m
Under 3 months	528.1	514.9
Between 3 and 6 months	57.3	65.4
Between 6 and 12 months	25.7	27.9
Over 12 months	35.5	28.1
Gross trade receivables and contract assets	**646.6**	648.3
Allowance for impairment	**(12.8)**	(15.6)
Trade receivables and contract assets, net of allowance	**633.8**	632.7

Included in trade receivables under three months of £424.8m (2022: £418.4m) are trade receivables of £374.1m (2022: £365.2m) that are not yet due for payment.

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

Impairment allowance for doubtful trade receivables and contract assets	2023 £m	2022 £m
At 1 January	15.6	15.4
Exchange differences	(2.3)	1.9
Acquisitions	0.1	0.2
Net impairment loss recognised	2.3	9.5
Receivables written off	(2.9)	(11.4)
At 31 December	**12.8**	15.6

Sensitivity analysis

Trade receivables and contract assets are assessed for impairment using a calculated credit loss assumption. A 0.25% variance in the assumed credit risk factor would impact impairment by £2.2m. There were no material individual impairments of trade receivables or contract assets.

12 Trade and other payables

Accounting policy

Trade payables

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of trade payables is considered approximate to fair value.

Trade and other payables

Trade and other payables are analysed below:

	Current 2023 £m	Current 2022 £m	Non-current 2023 £m	Non-current 2022 £m
Trade payables	**204.8**	172.1	**0.5**	0.7
Other payables	**76.8**	85.9	**19.5**	19.5
Accruals	**305.5**	308.4	**3.7**	7.8
Contract liabilities	**148.5**	156.6	**6.4**	5.6
Total trade and other payables	**735.6**	723.2	**30.1**	34.6

The Group's exposure to liquidity risk related to trade payables is disclosed in note 14. £133.3m of contract liabilities at the end of 2022 was recognised in revenue in 2023 (2022: £113.6m).

Other payables include revenue taxes, interest payable and retirement liabilities.

Contract liabilities consist of consideration received in advance of the Group transferring the related good or service to the client.

In one part of the Group a arrangement is available that allows payment terms to suppliers to be extended by up to 60 days. At 31 December 2023, this arrangement was applicable to trade payables totalling £2.3m (2022: £1.6m).

13 Provisions

Accounting policy

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation that can be estimated reliably as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions

	Contingent consideration £m	Claims £m	Other £m	Total £m
At 1 January 2023	17.2	5.0	8.2	30.4
Exchange adjustments	(1.5)	(0.2)	(0.2)	(1.9)
Provided in the year:	-	5.4	23.3	28.7
In respect of current year acquisitions	5.5	-	-	5.5
In respect of prior year acquisitions	17.9	-	-	17.9
Released during the year	(0.8)	(0.1)	(1.1)	(2.0)
Utilised during the year	(2.7)	(4.7)	(17.4)	(24.8)
At 31 December 2023	35.6	5.4	12.8	53.8
Included in:				
Current liabilities	-	5.4	12.6	18.0
Non-current liabilities	35.6	-	0.2	35.8
At 31 December 2023	35.6	5.4	12.8	53.8

The maximum contingent consideration, on an undiscounted basis, that could be paid in relation to acquisitions is £76.2m. Further detail on the timing of the cash flow can be found in note 14. The contingent consideration is a financial liability discounted to the present value of the redemption amount held at fair value through profit and loss with the measurement basis discussed in note 14.

The Group is involved in various claims and lawsuits incidental to the ordinary course of its business. The outcome of such litigation and the timing of any potential liability cannot be readily foreseen, as it is often subject to legal proceedings. Based on information currently available, the Directors consider that the cost to the Group of an unfavourable outcome arising from such litigation is unlikely to have a materially adverse effect on the financial position of the Group in the foreseeable future.

The provision for claims of £5.4m (2022: £5.0m) represents an estimate of the amounts payable in connection with identified claims from customers, former employees and other parties and associated legal costs. The timing of the cash outflow relating to the provisions is uncertain but is likely to be within one year. Details of contingent liabilities in respect of claims are set out in note 22.

The other provision of £12.8m (2022: £8.2m) includes restructuring provisions. The timing of the cash outflow is uncertain, but is likely to be within one year.

14 Borrowings and financial instruments

Accounting policy

Net financing costs

Net financing costs comprise interest expense on borrowings, interest expense on tax balances, facility fees, interest receivable on funds invested, interest income and expense relating to pension assets and liabilities and lease interest expense under IFRS 16, net foreign exchange gains or losses on financial assets or liabilities, unrealised market or fair value gains or losses on financial assets or liabilities, including contingent consideration, and gains and losses on hedging instruments that are recognised in the income statement. Interest income and interest expense are recognised as they accrue using the effective interest rate method. As permitted by IAS 7, interest paid is classified within operating cash flows and interest received is classified within investing cash flows.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost less impairment losses (including bad debt provision).

Cash and cash equivalents and net debt

Cash and cash equivalents on the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of less than 90 days which are subject to an insignificant risk of changes in value. Non-current assets include deposits with maturities exceeding 90 days. In the consolidated statement of cash flows, net cash and cash equivalents comprise cash and cash equivalents, as defined above, net of bank overdrafts. Net financial debt comprises borrowings less cash and cash equivalents and total net debt is net financial debt plus the IFRS 16 lease liability.

Non-derivative financial liabilities

Trade and other payables are recognised initially at fair value and subsequently at their amortised cost.

Interest-bearing borrowings are initially recognised at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Put options held by non-controlling interests that arise on acquisition are recognised initially at the present value of the redemption amount. They are subsequently measured at amortised cost using the effective interest method. The discount unwound through SOCI is as a finance charge.

Derivative financial instruments

The Group uses derivative financial instruments, including cross currency interest rate swaps and foreign currency forwards, to hedge economically its exposure to foreign exchange risks. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are recognised initially and subsequently at fair value; attributable transaction costs are recognised in profit or loss when incurred. The gain or loss on remeasurement to fair value at each period end is recognised immediately in the income statement, except where derivatives qualify for hedge accounting.

The fair value of cross currency interest rate swaps is estimated using the present value of the estimated future cash flows based on observable yield curves.

The fair value of foreign currency forwards is estimated using present value of future cash flows based on the foreign exchange rates at the balance sheet date.

Hedging

Hedge of monetary assets and liabilities

Where a derivative financial instrument is used economically to hedge the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the income statement in the same caption as the foreign exchange on the related item.

Hedge of net investment in foreign operations

The Group is exposed to foreign exchange risk exposure arising from its net investment in foreign currency operations and net assets. To the extent that the Group has debt, it is the currencies that hedge the foreign exchange risks from the Group's net investments, or cross currency interest rate swaps are used to achieve the same objective.

The portion of the gain or loss on an instrument designated as a hedge of a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in equity in the translation reserve. The value in relation to the hedge instrument that is held within the cumulative foreign currency translation reserve is recycled through the income statement when the hedged subsidiary is disposed of. If the instrument is no longer deemed effective, then future movements in fair value are posted to the income statement.

Cash flow hedges

Cash flow hedges comprise derivative financial instruments designated in a hedging relationship to manage interest rate risk and foreign exchange risk to which the cash flows of certain assets and liabilities are exposed. The Group is exposed to the variability in cash flows arising from the foreign exchange risk exposures. In accordance with the Group's hedging strategy, the Group has cross currency interest rate swaps designated as cash flow hedges.

The effective portion of changes in the fair value of a derivative that is designated and qualifies for hedge accounting is recognised in other comprehensive income. The value in relation to the hedge instrument that is held within the cumulative cash flow hedge reserve (disclosed within other reserves) is recycled through the income statement when the hedged item impacts the income statement. If the instrument is no longer deemed effective, then future movements in fair value are posted to the income statement.

Interest Rate Benchmark Reform

LIBOR was discontinued as a published benchmark rate for some currencies as of 1 January 2022. The Group has reviewed and renegotiated significant borrowing and commercial contracts to replace LIBOR references with alternative benchmark rates, as needed.

14 Borrowings and financial instruments Continued

Impairment

A financial asset is assessed for impairment at each reporting date by application of an expected loss model in line with IFRS 9 requirements.

Net financing costs

Net financing costs are shown below:

Recognised in income statement	2023 £m	2022 £m
Finance income		
Interest on bank balances	3.8	2.2
Total finance income	3.8	2.2
Finance expense		
Interest on borrowings	(33.6)	(29.6)
Net pension interest income/(cost) (note 16)	1.0	0.1
Foreign exchange differences on revaluation of net monetary assets and liabilities	(2.5)	8.6
Leases - IFRS 16	(10.8)	(10.2)
Facility fees and other*	(21.8)	(6.7)
Total finance expense*	(67.7)	(34.8)
Net financing costs*	(63.9)	(32.6)

* Includes £26.0m cost (2022: £8.7m cost) relating to SOFR.

Analysis of net debt

	2023 £m	2022 £m
Cash and cash equivalents per the statement of financial position	299.3	321.6
Overdrafts	(0.7)	(0.9)
Cash per the statement of cash flows	298.6	320.7

The components of net debt are outlined below:

	1 January 2023 £m	Cash flow £m	Non-cash movements £m	Exchange adjustments £m	31 December 2023 £m
Cash	320.7	13.7	-	(35.8)	298.6
Borrowings:					
Revolving credit facility US$850m 2027	-	2.2	-	(2.2)	-
Senior notes US$160m 2023	(158.1)	125.2	-	8.0	-
Acquisition facility 'A' AUS88.0m 2023	(49.4)	44.9	-	4.5	-
Acquisition facility 'A' US$96.9m 2023	(80.6)	75.1	-	5.5	-
Senior notes US$125m 2024	(104.0)	-	-	6.3	(97.7)
Senior notes US$120m 2025	(99.8)	2.2	-	3.8	(93.8)
Senior notes US$75m 2026	(62.4)	-	-	3.8	(58.6)
Senior notes US$150m 2027	(124.8)	-	-	7.6	(117.2)
Senior notes US$165m 2028	(137.3)	-	-	8.2	(129.1)
Senior notes US$165m 2029	(137.3)	-	-	8.3	(129.0)
Senior notes US$160m 2030	(133.1)	-	-	8.1	(125.0)
Senior notes EUR€120m 2026	-	(104.1)	-	-	(104.1)
Senior notes EUR€25m 2027	-	(21.7)	-	-	(21.7)
Senior notes EUR€40m 2028	-	(34.7)	-	-	(34.7)
Other*	3.2	-	(1.6)	-	1.6
Total borrowings	(1,059.6)	89.1	(1.6)	61.9	(909.2)
Total net financial debt	(739.9)	102.8	(1.6)	26.1	(610.6)
Lease liabilities	(322.2)	77.8	(78.3)	14.9	(307.8)
Total net debt	(1,060.1)	180.6	(79.9)	41.0	(918.4)

* Includes other uncommitted borrowings of £0.8m (2022: £0.8m) and facility fees of £2.4m (2022: £4.6m).

14 Borrowings and financial instruments Continued

	1 January 2022 £m	Cash flow £m	Non-cash movements £m	Exchange adjustments £m	31 December 2022 £m
Cash	264.0	51.7	–	5.0	320.7
Borrowings:					
Revolving credit facility US$850m 2027	(65.9)	71.9	–	(6.0)	–
Senior notes US$140m 2022	(103.8)	108.0	–	(4.2)	–
Acquisition facility 'B' AU$264.1m 2022	(145.9)	149.7	–	(3.8)	–
Acquisition facility 'B' US$290.7m 2022	(215.5)	218.2	–	(2.7)	–
Senior notes US$160m 2023	(118.6)	(0.1)	–	(14.4)	(133.1)
Acquisition facility 'A' AU$68.0m 2023	(47.3)	–	–	(2.1)	(49.4)
Acquisition facility 'A' US$96.3m 2023	(77.6)	0.2	–	(6.8)	(84.2)
Senior notes US$125m 2024	(92.7)	–	–	(11.3)	(104.0)
Senior notes US$120m 2025	(88.8)	(0.2)	–	(10.8)	(99.8)
Senior notes US$75m 2026	(55.5)	(0.1)	–	(6.8)	(62.4)
Senior notes US$150m 2027	–	(109.4)	–	(15.4)	(124.8)
Senior notes US$165m 2028	–	(123.8)	–	(13.5)	(137.3)
Senior notes US$165m 2029	–	(123.8)	–	(13.5)	(137.3)
Senior notes US$160m 2030	–	(120.0)	–	(13.1)	(133.1)
Other*	4.7	–	(1.5)	–	3.2
Total borrowings	(597.3)	59.6	(1.5)	(113.4)	(1,058.6)
Total net financial debt	(733.3)	111.3	(1.5)	(114.4)	(737.9)
Lease liabilities	(294.3)	31.4	(32.4)	(16.9)	(322.2)
Total net debt	(1,027.6)	142.7	(33.9)	(131.3)	(1,060.1)

Borrowings

Borrowings are split between current and non-current as outlined below:

	Current 2023 £m	Current 2022 £m	Non-current 2023 £m	Non-current 2022 £m
Senior term loans and notes	**97.8**	263.1	**813.0**	798.7
Other borrowings	**(1.0)**	(1.6)	**(0.6)**	(1.6)
Total borrowings	**96.8**	261.5	**812.4**	797.1

Analysis of debt	2023 £m	2022 £m
Debt falling due:		
In one year or less	**96.8**	261.5
Between one and two years	**93.2**	106.0
Between two and five years	**464.6**	266.0
Over five years	**254.6**	408.1
Total borrowings	**909.2**	1,058.6

Description of borrowings

Total unrecognised committed borrowing facilities as at 31 December 2023 were £564.3m (2022: £707.3m).

US$850m revolving credit facility

The Group has a US$850m multi-currency revolving credit facility, which is the Group's principal facility and in December 2021 was extended from 2026 to 2027. Advances under the facility bear interest at a rate equal to a risk-free rate, or their local currency equivalent, plus a margin, depending on the Group's financial leverage. Drawings under this facility at 31 December 2023 were £nil (2022: £nil).

US$692m acquisition facility

In May 2021 the Group agreed a US$692m multi-currency acquisition facility to finance the acquisition of SAI Global with £357.4m repaid in March 2022 and the balance of £130.0m repaid in September 2023. Advances under the facility bear interest at a rate equal to USD LIBOR or AUD BBSW, plus a margin. Drawings under this facility at 31 December 2023 were £nil (2022: £130.0m).

14 Borrowings and financial instruments Continued

Private placement bonds

In October 2013 the Group issued US$140m of senior notes repaid on 18 January 2022 at a fixed annual interest rate of 3.75% and US$105m repaid on 18 January 2024 at a fixed annual interest rate of 3.85%, funded from the existing revolving credit facility.

In February 2013 the Group issued US$80m of senior notes. These notes were issued in two tranches, with US$40m repaid on 14 February 2023 at a fixed annual interest rate of 3.10% and US$40m repayable on 14 February 2025 at a fixed annual interest rate of 3.25%.

In July 2014 the Group issued US$110m of senior notes. These notes were issued in four tranches with US$15m repaid on 31 July 2021 at a fixed annual interest rate of 3.37%, US$20m repayable on 31 July 2024 at a fixed annual interest rate of 3.86%, US$60m repayable on 31 October 2026 at a fixed annual interest rate of 4.05% and US$15m repayable on 31 December 2026 at a fixed annual interest rate of 4.10%.

In December 2020 the Group issued US$200m of senior notes. These notes were issued in two tranches with US$120m repaid on 2 December 2023 at a fixed annual interest rate of 1.97% and US$80m repayable on 2 December 2025 at a fixed annual interest rate of 2.08%.

In December 2021 the Group issued US$340m of senior notes. These notes were issued in four tranches with US$150m repayable on 13 January 2027 at a fixed annual interest rate of 2.24%, US$165m repayable on 15 March 2028 at a fixed annual interest rate of 2.36%, US$165m repayable on 15 March 2029 at a fixed annual interest rate of 2.47% and US$160m repayable on 15 March 2030 at a fixed annual interest rate of 2.54%.

In December 2023 the Group issued EUR€185m of senior notes that was drawn. These notes were issued in three tranches with EUR€120m repayable on 21 December 2026 at a fixed annual interest rate of 3.64%, EUR€25m repayable on 21 December 2027 at a fixed annual interest rate of 3.89% and EUR€40m repayable on 21 December 2028 at a fixed annual interest rate of 3.98%.

Lease liabilities

Undiscounted lease liabilities are split into current and non-current as outlined below:

	2023 £m	2022 £m
Analysis of lease liabilities falling due:		
Current:		
Repayable in less than 1 year	**79.9**	80.5
Non-current:		
Repayable in 1–2 years	**62.2**	65.2
Repayable in 2–5 years	**104.4**	106.5
Repayable in more than 5 years	**145.6**	156.0
Total lease liabilities	**392.1**	408.2

Financial risks

Details of the Group's treasury controls, exposures and the policies and processes for managing capital and credit, liquidity, interest rate and currency risk are set out below and in the Financial review in Book one, pages 30 to 35.

Credit risk

Exposure to credit risk

Credit risks arise mainly from the possibility that customers may not be able to settle their obligations as agreed. The Group monitors the creditworthiness of customers on an ongoing basis. The Group's credit risk is diversified due to the large number of entities, industries and regions that make up the Group's customer base.

The carrying amount of financial assets represents the maximum credit exposure. At the reporting date this was as follows:

	2023 £m	2022 £m
Trade receivables, net of allowance (note 11)	**526.6**	532.3
Cash and cash equivalents	**298.6**	320.7
Total	**825.2**	853.0

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

	2023 £m	2022 £m
Asia Pacific	**135.2**	141.4
Americas	**208.2**	205.9
Europe, Middle East and Africa	**183.2**	185.0
Total	**526.6**	532.3

Counterparty risk

Cash and cash equivalents and available borrowing facilities are at risk in the event that the counterparty is not able to meet its obligations in regard to the cash held or facilities available to the Group. The Group also enters into transactions with counterparties in relation to derivative financial instruments. If the counterparty was not able to meet its obligations, the Group may be exposed to additional foreign currency or interest rate risk. Counterparty credit risk inherent in all hedge relationships is monitored throughout the period of the hedge but this risk is not expected to be significant.

The Group, wherever possible, enters into arrangements with counterparties who have a robust credit standing, which the Group defines as a financial institution with a credit rating of at least investment grade. The Group has existing relationships with a number of banks that meet this criterion, and seeks to use their services wherever possible while avoiding excessive concentration of credit risk. Given the diverse geographic nature of the Group's activities, it is not always possible to use a relationship bank. Therefore the Group has set limits on the level of deposits to be held at non-relationship banks to minimise the risk to the Group. It is also Group policy to remit any excess funds from local entities back to Intertek Group Treasury in the UK. Given the controls in place and based on a current assessment of our banking relationships, management does not expect any counterparty to fail to meet its obligations.

14 Borrowings and financial instruments Continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as and when they fall due. The Group's policy is to:

- ensure sufficient liquidity is available to Group companies in the amounts, currencies and locations required to support the Group's operations; and
- ensure the Group has adequate available sources of funding to protect against unforeseen internal and external events.

To ensure this policy is met, the Group monitors cash balances daily, projects cash requirements on a rolling basis and funds itself using debt instruments with a range of maturities.

The following are the undiscounted contractual cash flows of financial liabilities/(assets), including interest (for floating rate instruments, interest payments are based on the interest rate at 31 December):

2023	Carrying amount £m	Contractual cash flows £m	6 months or less £m	6-12 months £m	1-2 years £m	2-5 years £m	More than 5 years £m
Non-derivative financial liabilities/(assets)							
Senior term loans and notes	910.8	1,000.7	94.8	28.4	113.2	505.8	258.5
Other loans	(1.6)	0.8	-	-	-	0.1	0.7
Trade payables (note 12)	205.3	205.3	199.3	5.5	0.5	-	-
Lease liabilities	307.8	392.1	41.6	38.3	62.2	104.4	145.6
Contingent consideration (note 13)	35.6	35.6	-	-	35.6	-	-
	1,457.9	1,634.5	335.7	72.2	211.5	610.3	404.8
Derivative financial liabilities/(assets)							
Foreign currency forwards							
Outflow	0.7	776.7	776.7	-	-	-	-
Inflow	(0.3)	(776.3)	(776.3)	-	-	-	-
	0.4	0.4	0.4	-	-	-	-
Cross currency interest rate swaps							
Outflow	1.7	96.4	0.2	0.2	96.0	-	-
Inflow	-	(97.8)	(1.0)	(1.2)	(95.6)	-	-
	1.7	(1.4)	(0.8)	(1.0)	0.4	-	-
Total	1460.0	1633.5	335.3	71.2	211.9	610.3	404.8

2022	Carrying amount £m	Contractual cash flows £m	6 months or less £m	6-12 months £m	1-2 years £m	2-5 years £m	More than 5 years £m
Non-derivative financial liabilities/(assets)							
Senior term loans and notes	1,061.8	1,170.4	47.4	244.1	123.4	337.1	418.4
Other loans	(3.2)	0.8	-	-	-	0.2	0.6
Trade payables (note 12)	172.8	172.8	164.2	7.9	0.7	-	-
Lease liabilities	322.2	439.2	41.4	39.1	51.2	106.5	161.0
Contingent consideration (note 13)	17.2	17.2	2.8	-	0.6	13.6	-
	1,570.8	1,779.4	255.8	291.1	186.1	457.4	580.0
Derivative financial liabilities/(assets)							
Foreign currency forwards							
Outflow	2.8	1,069.7	1,069.7	-	-	-	-
Inflow	(1.1)	(1,068.0)	(1,068.0)	-	-	-	-
	1.7	1.7	1.7	-	-	-	-
Cross currency interest rate swaps							
Outflow	-	-	-	-	-	-	-
Inflow	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	1,572.5	1,781.1	257.5	291.1	186.1	457.4	580.0

Interest rate risk

The Group's objective is to manage the risk to the business from movements in interest rates, and to provide stability and predictability of the near-term (12-month horizon) interest expense. To achieve this, the Group uses floating rate bank debt facilities, fixed US private placements and cross currency interest rate swaps.

Sensitivity

At 31 December 2023, it is estimated that the impact on variable rate net debt of a general increase of 1% in interest rates would be a decrease in the Group's profit before tax of approximately £8.9m (2022: £11.6m). This analysis assumes all other variables remain constant.

14 Borrowings and financial instruments Continued

Foreign currency risk

The Group's objective in managing foreign currency risk is to safeguard the Group's financial assets from economic loss due to fluctuations in foreign currencies and to protect margins on cross currency contracts and operations. To achieve this, the Group's policy is to hedge its foreign currency exposures where appropriate.

The net assets of foreign subsidiaries represent a significant portion of the Group's shareholders' funds, and a substantial percentage of the Group's revenue and operating costs are incurred in currencies other than sterling. Due to the high proportion of international activity, the Group's profit is exposed to exchange rate fluctuations. Two types of risk arise as a result: (i) translation risk, that is, the risk of adverse currency fluctuations in the translation of foreign currency operations and foreign assets and liabilities into sterling, and (ii) transaction risk, that is, the risk that currency fluctuations will have a negative effect on the value of the Group's commercial cash flows in various currencies.

The foreign currency profiles of cash, trade receivables and payables subject to translation risk and transaction risk, at the reporting date, were as follows:

2023	Carrying amount £m	Sterling £m	US dollar £m	Chinese renminbi £m	Hong Kong dollar £m	Other currencies £m
Cash	298.6	24.6	97.1	46.7	2.4	127.8
Trade receivables (note 11)	526.6	41.4	258.9	36.1	6.1	184.1
Trade payables (note 12)	205.3	22.3	75.5	22.4	2.4	82.7

2022	Carrying amount £m	Sterling £m	US dollar £m	Chinese renminbi £m	Hong Kong dollar £m	Other currencies £m
Cash	323.7	72.9	95.5	42.3	0.7	111.3
Trade receivables (note 11)	532.3	37.7	216.5	39.5	6.5	232.1
Trade payables (note 12)	172.8	25.6	55.7	20.1	2.7	68.7

Recognised assets and liabilities

Changes in the fair value of foreign currency forwards that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the income statement.

Cash flow hedge

The Group holds a US$40m fixed interest rate USD private placement bond maturing in February 2025 and a US$80m fixed interest rate USD private placement bond maturing in December 2025. The nominal amount of these loans as at 31 December 2023 was £93.6m (2022: £nil).

The bonds are hedged using US$40m USD/CNH fixed-to-fixed cross currency swaps maturing in February 2025 and a US$80m USD/CNH fixed-to-fixed cross currency swaps maturing in December 2025.

The cross currency interest rate swaps were bifurcated into two relationships: 1) A cash flow hedge of foreign currency risk on US$120m borrowings; and 2) A net investment hedge of CNH 876m net assets of the Group. The weighted average exchange rates for the cross currency interest rates swaps were GBP/USD 1.2300 and GBP/CNH 8.5730.

The timings of the cash flows on both the hedging instrument and the borrowings is expected to match since the maturity profile and coupon profile for bond and hedge matches. In 2023, £3.3m of the cash flow hedge reserve was recycled through to the income statement to offset the impact of the hedged US$40m and US$80m bond. The remaining balance of the cash flow hedge reserve is expected to be recycled through to the income statement up to the expiry of the bonds in February 2025 and December 2025 respectively.

Hedge of net investment in foreign operations

The Group's foreign currency denominated loans are designated as a hedge to protect the same amount of net investment in the Group's foreign currency operations and net assets, against adverse changes in exchange rates.

The Group is exposed to foreign exchange risk exposure arising from its net investment in foreign currency operations and net assets. The Group uses a combination of debt and cross currency interest rate swaps to hedge foreign exchange risks. The Group's foreign currency denominated loans are designated as a hedge to protect the same amount of net investment in the Group's foreign currency operations and net assets, against adverse changes in exchange rates. The nominal amount of these loans as at 31 December 2023 was £817.0m (2022: £1,051.8m).

The Group's cross currency interest rate swaps are designated as hedge to protect the same amount of net investment in the Group's CNY net assets, against adverse changes in exchange rates. The nominal amount of these cross currency interest rates as at 31 December 2023 was £93.6m (2022: nil).

189.6m USD/CHF foreign currency forwards were designated as a hedge to protect the same amount of net investment in the Group's JSC operations and net assets, against adverse changes in exchange rates. The hedges remained outstanding as at 31 December 2021 and were settled during March 2022.

14 Borrowings and financial instruments Continued

A foreign exchange loss of £58.8m (2022: £120.0m foreign exchange gain) was recognised in the translation reserve in equity, reflecting the translation of the Group's foreign currency denominated loans to sterling and the impact of changes in fair value of the foreign currency forwards. The weighted average exchange rates of the borrowings designated as net investment hedge was GBP/USD 1.3906 and GBP/EUR 1.1525.
The Group has the following hedging instruments:

2023	Nominal amounts in local currency	Carrying value £m	1 January 2023 £m	Other comprehensive income: Fair value gain/(loss) deferred to OCI £m	Other comprehensive income: FX (gain)/loss recycled to the income statement £m	Hedges closed in year £m	31 December 2023 £m
Cash flow hedges - foreign exchange and interest rate risk							
Cross currency interest rate swaps - continuing	-	-	-	(3.4)	3.3	-	(0.1)
Hedges of net investment in a foreign operation - foreign exchange risk							
Forward currency forwards - discontinued	-	-	1.2	-	-	-	1.2
Cross currency interest rate swaps - continuing	-	-	-	1.7	-	-	1.7
Cross currency interest rate swaps - discontinued	-	-	(19.0)	-	-	-	(19.0)
Foreign currency borrowings - continuing	£910.8m	910.8	(145.5)	57.1	-	(3.7)	(92.1)
Foreign currency borrowings - discontinued	-	-	(195.3)	-	-	3.7	(191.6)
		910.8	(358.6)	55.4	3.3	-	(299.9)

2022	Nominal amounts in local currency	Carrying value £m	1 January 2022 £m	Other comprehensive income: Fair value gain/(loss) deferred to OCI £m	Other comprehensive income: FX (gain)/loss recycled to the income statement £m	Hedges closed in year £m	31 December 2022 £m
Cash flow hedges - foreign exchange and interest rate risk							
Foreign currency forward - continuing	-	-	-	19	(19)	-	-
Hedges of net investment in a foreign operation - foreign exchange risk							
Foreign currency forward - continuing	-	-	30	(36)	-	(12)	-
Forward currency forward - discontinued	-	-	-	-	-	12	12
Cross currency interest rate swaps - discontinued	-	-	(190)	-	-	-	(190)
Foreign currency borrowings - continuing	£1,061.8m	1,061.8	(46.5)	(118.2)	-	19.2	(145.5)
Foreign currency borrowings - discontinued	-	-	(176.1)	-	-	(19.2)	(195.3)
		1,061.8	(238.6)	(118.1)	(19)	-	(358.6)

The Group entered into AU$264m of foreign currency forwards which sold US$ and received AUD, which matured in March 2022. The foreign currency forwards were bifurcated into two relationships. 1) a cash flow hedge of AU$264m versus GBP foreign currency risk in AUD denominated borrowings and 2) a net investment hedge of US$ versus GBP foreign currency risk in US$ denominated net assets of the Group.

The weighted average exchange rates of the forwards were GBP/USD 1.3209 and GBP/AUD 1.8556.

The foreign currency forwards previously designated in discontinued hedge relationships were disclosed within 'other receivables' in the statement of financial position. The cross currency interest rate swaps designated in hedge relationships are disclosed within 'other payables' in the statement of financial position.

Foreign currency denominated loans and their corresponding hedged items are matched and the Group expects highly effective hedging relationships. The change in value of the hedged item is used as the basis for recognising hedge ineffectiveness for the period. Net ineffectiveness on the net investment hedges recognised in the income statement was £nil.

Hedge ineffectiveness may occur if there are insufficient net assets in foreign currency to match hedging instruments in the relevant currency.

The hedge ratio for each designation will be established by comparing the quantity of the hedging instrument and the quantity of the hedged item to determine their relative weighting. For all of the Group's existing hedge relationships the hedge ratio has been determined as 1:1.

14 Borrowings and financial instruments Continued

The carrying values of the hedging instruments, US$840.0m senior notes and EUR€185.0m senior notes are included within borrowings within the statement of financial position.

Fair value gains and losses on the hedging instruments designated in the cash flow and net investment hedges have been presented as 'fair value on cash flow hedges' and 'net exchange on hedges of net investments in foreign operations' respectively within the statement of other comprehensive income.

Foreign exchange losses of £3.3m recycled from the cash flow hedge reserve are presented in interest on borrowings within finance expenses in the income statement.

Sensitivity

It is estimated that an increase of 10% in the value of sterling against the US dollar and Chinese renminbi (the main currencies impacting the Group) would have increased the Group's profit before tax for 2023 by approximately £22.5m (2022: £28.4m decrease). This analysis assumes all other variables remain constant.

It is estimated that an increase of 10% in the value of sterling against the currencies of the hedging instruments would have increased OCI by approximately £83.0m (2022: £96.5m) which would be offset by the retranslation of the Group's investment in foreign operations in the same currencies. This analysis assumes all other variables remain constant.

Fair values

The table below provides a comparison of book values and corresponding fair values of all the Group's financial instruments by class.

	Book value 2023 £m	Fair value 2023 £m	Book value 2022 £m	Fair value 2022 £m
Financial assets				
Cash and cash equivalents	**298.6**	**298.6**	320.7	320.7
Trade receivables (note 11)	**526.6**	**526.6**	532.3	532.3
Foreign currency forwards*	**0.3**	**0.3**	1.1	1.1
Total financial assets	**825.5**	**825.5**	854.1	854.1
Financial liabilities				
Interest-bearing loans and borrowings	**909.2**	**817.3**	1,058.6	956.8
Trade payables (note 12)	**205.3**	**205.3**	172.8	172.8
Foreign currency forwards*	**0.7**	**0.7**	2.8	2.8
Cross currency interest rate swaps*	**1.7**	**1.7**	-	-
Contingent consideration**	**35.6**	**35.6**	17.2	17.2
Total financial liabilities	**1152.5**	**1060.6**	1,251.4	1,149.6

* Cross currency interest rate swaps and foreign currency forwards are categorised as Level 2, under which the fair value is measured using inputs other than quoted prices observable for the asset or liability, either directly or indirectly.

** Contingent consideration is categorised as Level 3, under which the fair value is measured using unobservable inputs – being the EBITDA performance of the acquired companies.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

15 Capital and reserves

Accounting policy

Dividends

Interim dividends are recognised as a movement in equity when they are paid. Final dividends are reported as a movement in equity in the year in which they are approved by the shareholders.

Own shares held by the Employee Share Ownership Trust ('ESOT')

Transactions of the Group-sponsored ESOT are included in the Group financial statements. In particular, the Trust's purchases of shares in the Company are debited directly in equity to retained earnings.

Share capital

Group and Company	2023 number	2023 £m	2022 £m
Allotted, called up and fully paid:			
Ordinary shares of 1p each at start of year	**161,393,127**	**1.6**	1.6
Share awards	**-**	**-**	-
Ordinary shares of 1p each at end of year	**161,393,127**	**1.6**	1.6
Shares classified in shareholders' funds		**1.6**	1.6

The holders of ordinary shares are entitled to receive dividends and are entitled to vote at general meetings of the Company.

During the year, the Company issued nil (2022: nil) ordinary shares in respect of all share plans.

Purchase of own shares for trust

During the year ended 31 December 2023, the Company financed the purchase of 278,751 (2022: 45,000) of its own shares with an aggregate nominal value of £2,788 (2022: £450) for £1.6m (2022: £23m) which was charged to retained earnings in equity and was held by the ESOT. This trust is managed by an independent offshore trustee. During the year, 261,356 shares were utilised to satisfy the vesting of share awards (note 17). At 31 December 2023, the ESOT held 149,799 shares (2022: 132,407 shares) with an aggregate nominal value of £1,498 (2022: £1,324). The associated cash outflow of £1.6m (2022: £23m) has been presented as a financing cash flow.

15 Capital and reserves Continued

Dividends	2023 £m	2023 Pence per share	2022 £m	2022 Pence per share
Amounts recognised as distributions to equity holders:				
Final dividend for the year ended 31 December 2021	-	-	125.5	71.6
Interim dividend for the year ended 31 December 2022	-	-	55.1	34.2
Final dividend for the year ended 31 December 2022	115.5	71.6	-	-
Interim dividend for the year ended 31 December 2023	60.8	37.7	-	-
Dividends paid	**176.3**	**109.3**	170.6	105.8

After the reporting date, the Directors proposed a final dividend of 74.0p per share in respect of the year ended 31 December 2023, which is expected to amount to £120.2m. This dividend is subject to approval by shareholders at the Annual General Meeting and therefore, in accordance with IAS10 *Events After the Reporting Date*, it has not been included as a liability in these financial statements. If approved, the final dividend will be paid to shareholders on 21 June 2024.

Reserves

Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations as well as the translation of liabilities that hedge the Group's net investment in foreign operations.

Other

This reserve includes a merger difference that arose in 2002 on the conversion of share warrants into share capital, as well as the cash flow hedge reserve.

16 Employee benefits

Accounting policy

Pension schemes

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the income statement as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of material defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

In calculating the defined benefit surplus or deficit, the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

The increase in the present value of the liabilities expected to arise from the employee's services in the accounting period is charged to the operating profit in the income statement. The expected return on the scheme assets and the interest on the present value of the scheme liabilities, during the accounting period, are shown as finance income and finance expense, respectively.

The Group operates a number of pension schemes throughout the world. In most locations these are defined contribution arrangements. However, there are significant defined benefit schemes in the United Kingdom and Switzerland. The United Kingdom Scheme is funded, with assets held in separate trustee-administered funds and the Switzerland Scheme is an insured scheme. The scheme in the United Kingdom was closed to new entrants in 2002. Other funded defined benefit schemes are not considered to be material and are therefore accounted for as if they were defined contribution schemes.

In line with IAS19 and IFRIC 14, if a scheme has a surplus this is recognised on the statement of financial position if the economic benefit is available to the Group as a result of the surplus. Economic benefit is defined as when an entity has an unconditional right to a refund from the scheme whilst the scheme is ongoing, or assuming the gradual settlement of the scheme liabilities over time until all members have left the scheme, or died, or assuming the full settlement of the scheme's liabilities in a single event. In the event of a surplus, the relevant scheme rules will be reviewed in line with IFRIC 14 and a legal opinion obtained to identify if the surplus can be recognised by the Group.

The Group recognises all actuarial remeasurements in each year in equity through the consolidated statement of comprehensive income.

Total pension cost

The total pension cost included in operating profit for the Group was:

	2023 £m	2022 £m
Defined contribution schemes	(59.8)	(59.6)
Defined benefit schemes - current service cost and administration expenses	(1.2)	(1.9)
Pension cost included in operating profit (note 5)	**(61.0)**	(61.5)

The pension cost for the defined benefit schemes was assessed in accordance with the advice of qualified actuaries. The last full triennial actuarial valuation of The Intertek Pension Scheme in the United Kingdom ('United Kingdom Scheme') was carried out as at 31 March 2022, and for IAS 19 accounting purposes has been updated to 31 December 2023. The Switzerland Scheme was valued for IAS 19 purposes as at 31 December 2023. The average duration of the schemes' liabilities is 13 years for the United Kingdom Scheme and 16 years for the Switzerland Scheme.

16 Employee benefits Continued

Defined benefit schemes

The cost of defined benefit schemes

The amounts recognised in the income statement were as follows:

	2023 £m	2022 £m
Current service cost	(0.8)	(1.5)
Scheme administration expenses	(0.4)	(0.4)
Net pension interest income (note 3.4)	1.0	0.1
Total charge	**(0.2)**	**(1.8)**

The current service cost and scheme administration expenses are included in operating costs in the income statement and pension interest cost and interest income are included in net financing costs.

Included in other comprehensive income

	2023 £m	2022 £m
Remeasurements arising from:		
Demographic assumptions	0.2	(0.6)
Financial assumptions	(5.4)	52.3
Experience adjustment	(0.5)	(5.3)
Asset valuation	2.5	(29.8)
Other	0.6	3.8
Total	**(2.6)**	**17.4**

Company contributions

In 2022 the Company assessed the triennial actuarial valuation for the United Kingdom Scheme and its impact on the scheme funding plan in 2022 and future years. In 2024 the Group expects to make normal contributions of £0.6m (2023: £0.6m) and a special contribution of £nil (2023: £nil). The next triennial valuation is due to take place as at 31 March 2025 and will include a review of the Company's future contribution requirements.

Pension asset/liability for defined benefit schemes

The amounts recognised in the statement of financial position for defined benefit schemes were as follows:

31 December 2023	United Kingdom Scheme £m	Switzerland Scheme £m	Total £m
Fair value of scheme assets	111.8	14.4	126.2
Present value of funded defined benefit obligations	(90.0)	(19.2)	(109.2)
Surplus/(deficit) in schemes	**21.8**	**(4.8)**	**17.0**

The fair value changes in the scheme assets are shown below:

	2023 £m	2022 £m
Fair value of scheme assets at 1 January	121.1	155.4
Interest income	5.5	2.7
Normal contributions by the employer	1.4	1.3
Special contributions by the employer	-	2.0
Contributions by scheme participants	0.6	0.6
Benefits paid	(4.9)	(4.2)
Effect of exchange rate changes on overseas schemes	0.4	1.5
Remeasurements	2.5	(25.8)
Scheme administration expenses	(0.4)	(0.4)
Settlements[1]	-	(8.0)
Fair value of scheme assets at 31 December	**126.2**	**121.1**

[1] Settlements represent transfer to the reinsurer of assets and legal obligations related to the benefits provided to inactive members of part of the Switzerland Scheme.

Asset allocation

Investment statements were provided by the investment managers which showed that, as at 31 December 2023, the invested assets of the United Kingdom Scheme totaled £111.8m (2022: £108.2m), broken down as follows:

	United Kingdom Scheme	
Asset class	2023 £m	2022 £m
Equities	44.5	44.2
Property	3.1	4.5
Liability-Driven Investment ("LDI")*	12.2	11.6
Corporate debt instruments	46.6	37.9
Cash	5.4	9.8
Total	**111.8**	**108.2**

[*] Investments are included at fair value. The pooled investment vehicles are held under a managed fund policy in the name of the Scheme. Pooled investment vehicles (including the LDI Funds) which are not traded on active markets but where the investment manager has provided a monthly trading price, are valued using the last single price provided by the investment manager at or before the year-end. The LDI Funds comprises the hedges against adverse movements in inflation and interest rates. It seeks to match the sensitivity of the Scheme's liability cash flows to changes in interest rates and inflation. It is invested in gilts swaps, futures, repo contracts and money market instruments.

During February 2024, following a review of the Scheme's investment strategy and funding level, the Trustee agreed to changes to the Scheme's asset allocation by class. These changes, which will be completed by June 2024, will reduce future funding level volatility and de-risk the Scheme's strategy by investing in assets that in aggregate will broadly match movements in liabilities. The change to asset classes does not incur material costs to the Scheme.

16 Employee benefits Continued

The United Kingdom Scheme had bank account assets of £2.4m as at 31 December 2023 (2022: £9.6m).

The United Kingdom Scheme invested assets comprising both quoted and unquoted assets. The value of quoted assets in 2023 was £11.4m (2022: £11.7m), included within equities in the above table, with the remaining assets being unquoted. The invested assets of the Switzerland Scheme comprise cash, savings and contribution accounts. The Switzerland Scheme is fully insured.

Changes in the present value of the defined benefit obligations were as follows:

	2023 £m	2022 £m
Defined benefit obligations at 1 January	**102.0**	154.0
Current service cost	**0.8**	1.5
Interest cost	**4.4**	2.6
Contributions by scheme participants	**0.7**	0.7
Benefits paid	**(4.9)**	(4.2)
Effect of exchange rate changes on overseas schemes	**0.5**	1.8
Remeasurements	**5.7**	(46.4)
Settlements	**-**	(3.0)
Defined benefit obligations at 31 December	**109.2**	102.0

Principal actuarial assumptions

	United Kingdom Scheme		Switzerland Scheme	
	2023 %	2022 %	2023 %	2022 %
Discount rate	**4.6**	4.85	**1.4**	2.3
Inflation rate (based on CPI)	**2.05**	2.1	**n/a**	n/a
Rate of salary increases	**-**	-	**1.75**	1.75
Rate of pension increases				
CPI subject to a maximum of 5% p.a.	**2.1**	2.15	**n/a**	n/a
Increases subject to a maximum of 2.5% p.a.	**1.7**	1.7	**n/a**	n/a

The Switzerland Scheme is an insured plan.

Life expectancy assumptions at year-end for:

	United Kingdom Scheme		Switzerland Scheme	
	2023	2022	2023	2022
Male aged 40	**48.3**	48.4	**49.5**	49.4
Male aged 65	**21.6**	21.7	**22.0**	22.0
Female aged 40	**50.4**	50.6	**51.1**	51.0
Female aged 65	**23.7**	23.8	**23.8**	23.7

The table above shows, for the United Kingdom Scheme, the number of years a male or female is expected to live, assuming they were aged either 40 (and lives to 65), or 65 at 31 December. The mortality tables adopted in 2023 for the United Kingdom Scheme are S3PA tables, based on the CMI 2022 mortality projection model with a 1.25% long-term annual rate for future improvements. In 2022 the S3PA tables were used, based on the CMI 2021 mortality projection model with a 1.25% long-term annual rate for future improvement. For the Switzerland Scheme, the mortality table adopted in 2023 and 2022 is the BVG 2020, an industry standard in Switzerland which is based on statistical evidence of major Swiss pension funds.

Sensitivity analysis

The table below sets out the sensitivity on the United Kingdom pension assets and liabilities as at 31 December 2023 of the two main assumptions.

	United Kingdom Scheme	
Change in assumptions	Liabilities £m	Increase/ (decrease) in surplus/ deficit £m
No change	**90.0**	**-**
0.25% rise in discount rate	**87.2**	**(2.8)**
0.25% fall in discount rate	**93.0**	**3.0**
0.25% rise in inflation	**91.4**	**1.4**
0.25% fall in inflation	**88.5**	**(1.5)**

The United Kingdom Scheme is also subject to the mortality assumption. If the mortality tables used are rated up/down one year, the value placed on the liabilities increases by £3.4m and decreases by £3.4m respectively.

Funding arrangements

United Kingdom Scheme

The Trustees use the projected unit credit method with a three-year control period. Currently the scheme members pay contributions at the rate of 8.5% of salary. The employer pays contributions of 18.5% of salary, plus £0.2m per year to fund scheme expenses. The employer has not made any additional contributions in 2023 as a result of the surplus disclosed by the 2022 valuation.

16 Employee benefits Continued

Funding risks

The main risks for the schemes are:

Investment return risk	If the assets underperform the returns assumed in setting the funding targets then additional contributions may be required at subsequent valuations.
Investment matching risk	The schemes invest significantly in equities, whereas the funding targets are closely related to the returns on bonds. If equities fall in value relative to the matching asset of bonds, additional contributions may be required.
Longevity risk	If future improvements in longevity exceed the assumptions made for scheme funding then additional contributions may be required.

Role of third parties

The United Kingdom Scheme is managed by Trustees on behalf of its members. The Trustees take advice from appropriate third parties including investment advisers, actuaries and lawyers as necessary.

17 Share schemes

Accounting policy

Share-based payment transactions

The share-based compensation plans operated by the Group allow employees to acquire shares of the Company. The fair value of the employee services received in exchange for the grant of shares is measured at the grant date and is recognised as an expense with a corresponding increase in equity. The charge is calculated using the Black-Scholes method and expensed to the income statement over the vesting period of the relevant award. The charge for the Deferred Share Awards is adjusted to reflect expected and actual levels of vesting for service conditions. The expense of the LTIP Share Awards is calculated using the Monte Carlo method and the fair value adjusted for the probability of performance conditions being achieved.

Share plans

2011 Long Term Incentive Plan

The Deferred Bonus Plan 2005 was replaced in 2011 with the Intertek 2011 Long Term Incentive Plan ("LTIP"). Deferred Share Awards (previously Share Awards) and LTIP Share Awards (previously Performance Awards) have been granted under this plan. The first awards were granted on 7 April 2006. The awards under these plans vest three years after grant date, subject to fulfilment of the performance conditions. The last awards under the 2011 Plan vested in 2023.

2021 Long Term Incentive Plan

The Intertek 2021 Long Term Incentive Plan ("2021 Plan") was approved at the 2020 Annual General Meeting as the Intertek 2011 Long Term Incentive Plan was approaching the end of its ten-year life cycle. The 2021 Plan is broadly similar to the previous Long Term Incentive Plan, but with amendments to take account of developments in market practice. The awards made in 2023 were made under the 2021 Plan on 13 March 2023 and 6 June 2023. The awards under these plans vest three years after the grant date, subject to fulfilment of the non-market based performance conditions.

Outstanding awards	2023 Deferred Share Awards	2023 LTIP Share Awards	2023 Total awards	2022 Deferred Share Awards	2022 LTIP Share Awards	2022 Total awards
At beginning of year	**674,193**	**810,416**	**1,484,609**	662,786	791,842	1,454,628
Granted*	**307,630**	**438,982**	**746,612**	328,181	359,589	687,770
Vested**	**(229,836)**	**(152,017)**	**(381,853)**	(251,311)	-	(251,311)
Forfeited	**(60,473)**	**(162,805)**	**(223,278)**	(60,383)	(341,015)	(401,398)
At end of year	**691,514**	**934,576**	**1,626,090**	674,193	810,416	1,484,609

* Includes 15,917 Deferred Share Awards (2022: 15,398) and 22,907 LTIP Share Awards (2022: 21,150) granted in respect of dividend accruals.

** Of the 381,853 awards vested in 2023, nil were satisfied by the issue of shares and 252,075 by the transfer of shares from the ESOT (see note 15). The balance of 129,778 awards represented a tax liability of £5.4m (2022: £4.1m) which was settled in cash on behalf of employees by the Group, of which £4.7m was settled by the Company.

Buyout Awards

On 1 April 2021, Jonathan Timmis was granted conditional rights to acquire 39,000 shares under an arrangement as a condition of his recruitment as CFO of the Company, granted under the Long Term Incentive Plan 2021. The award comprises three tranches of 13,000 shares, vesting on 1 April 2022, 1 April 2023 and 1 April 2024. Further details are shown in the Remuneration report in Book two, pages 78 to 105.

Deferred Share Plan

Awards may be granted under the Deferred Share Plan ("DSP") to employees of the Group (other than the Executive Directors of the Company) selected by the Remuneration Committee over existing, issued ordinary shares of the Company only. The DSP was adopted primarily to allow for the deferral of a proportion of selected employees' annual bonus into shares in the Company but may also be used for the grant of other awards (such as incentive awards and buyout awards for key employees) in circumstances that the Remuneration Committee deems appropriate. Awards will normally have a three-year vesting period. Awards may be made subject to performance conditions and are subject to normal good and bad leaver provisions and malus and clawback.

Outstanding awards	2023 Deferred Share Awards	2023 Total awards	2022 Deferred Share Awards	2022 Total awards
At beginning of year	**37,804**	**37,804**	37,368	37,368
Granted*	**14,315**	**14,315**	22,420	22,420
Vested**	**(14,827)**	**(14,827)**	(21,984)	(21,984)
Forfeited	**(6,409)**	**(6,409)**	-	-
At end of year	**30,883**	**30,883**	37,804	37,804

* Includes 815 Deferred Share Awards (2022: 1,119) granted in respect of dividend accruals.

** Of the 14,827 awards vested in 2023, 9,284 were satisfied by the transfer of shares from the ESOT (see note 15). The balance of 5,543 awards represented a tax liability of £0.2m which was settled in cash on behalf of employees by the Group, of which £0.2m was settled by the Company.

17 Share schemes Continued

Equity-settled transactions

During the year ended 31 December 2023, the Group recognised an expense of £21.2m (2022: £17.5m). The weighted average fair values and the assumptions used in their calculations are set out below.

	2023 Awards		
	Deferred Share Awards	Share Awards	LTIP Share Awards
Fair value at measurement date (pence)	4,384	4,057	3,487
Share price (pence)	4,384	4,057	4,050
Share price volatility	-	-	27.6%
Risk free rate	-	-	3.3%
Time to maturity (years)	1-3	3	3

	2022 Awards		
	Deferred Share Awards	Share Awards	LTIP Share Awards
Fair value at measurement date (pence)	4,656	4,345	4,180
Share price (pence)	4,656	4,345	4,180
Share price volatility	-	-	26.6%
Risk-free rate	-	-	1.3%
Time to maturity (years)	1-3	3	3

The weighted average exercise prices of all share awards in the year are £nil (2022: £nil).

All Share Awards are granted under a service condition. Such condition is not taken into account in the fair value measurement at grant date. From 2020 the LTIP Share Awards were granted under performance-related non-market conditions only.

18 Subsequent events

On 18 January 2024, funded from the existing revolving facility, a US$105m senior note at a fixed annual interest rate of 5.85% was repaid.

During February 2024, following a review of the United Kingdom pension Scheme's investment strategy and funding level, the Trustee approved changes to the Scheme's asset allocation by class, as described in note 16.

19 Capital management

The Directors determine the appropriate capital structure of Intertek, specifically how much capital is raised from shareholders (equity) and how much is borrowed from financial institutions (debt), in order to finance the Group's activities. These activities include ongoing operations as well as acquisitions as described in note 13.

The Group's policy is to maintain a robust capital base (including cash and debt) to ensure the market and key stakeholders retain confidence in the capital profile. Debt capital is monitored by Group Treasury assessing the liquidity buffer on a short- and long-term basis as discussed in note 14. Financial net debt has decreased from £737.9m at 31 December 2022 to £610.5m at 31 December 2023. The Group has a strong balance sheet with financial net debt to EBITDA of 0.8x (2022: 1.1x).

During 2023, the Group has continued the working capital focus and through disciplined performance management, working capital has reduced by £51.0m to negative £73.2m. Working capital is defined on page 8.

The Group uses key performance indicators, including return on invested capital ("ROIC") and adjusted diluted earnings per share to monitor the capital position of the Group to ensure it is being utilised effectively. The rate of ROIC, defined as adjusted operating profit less adjusted taxes divided by invested capital, measures how effectively the Group generates profit from its invested capital. This is a key measure to assess the efficiency of investment decisions and is also an important criterion in the decision-making process. ROIC in 2023 was 20.5% (2022: 18.0%). Adjusted diluted earnings per share is a key measure of value creation for the Board and for shareholders and in 2023 was 223.0p (2022: 211.1p).

The dividend policy also forms part of the Board's capital management policy and the Board ensures there is appropriate earnings cover for the dividend proposed at both the interim and year-end. Our current dividend policy aims to deliver sustainable dividend growth over time, based on a target dividend payout ratio of c.50%. Reflecting the Group's strong cash generation in 2023, the recommended final dividend is 74.0p, bringing the full year dividend to 111.7p, which is a year-on-year increase of 5.8%, and reflects a dividend payout ratio of 50%.

20 Non-controlling interest

Accounting policy

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions.

Non-controlling interest

An analysis of the movement in non-controlling interest is shown below.

	2023 £m	2022 £m
At 1 January	34.0	32.3
Exchange adjustments	(2.2)	0.9
Share of profit for the year	20.7	16.0
Adjustment arising from changes in non-controlling interest	(0.7)	-
Dividends paid to non-controlling interest	(15.1)	(16.6)
At 31 December	**36.7**	34.0

21 Related parties

Identity of related parties

The Group has a related party relationship with its key management. Balances and 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.

	2023 £m	2022 £m
Short-term benefits	12.5	9.8
Post-employment benefits	0.6	0.7
Equity-settled transactions	10.8	3.6
Total	**23.9**	14.1

More detailed information concerning Directors' emoluments, shareholdings, pension entitlements and other long-term incentive plans is shown in the audited parts of the Remuneration report in Book two, pages 92 to 103. Apart from the above, no member of key management had a personal interest in any business transactions of the Group.

22 Contingent liabilities

	2023 £m	2022 £m
Guarantees, letters of credit and performance bonds	41.1	43.0

Litigation

The Group is involved in various claims and lawsuits incidental to the ordinary course of its business, including claims for damages, negligence and commercial disputes regarding inspection and testing, and disputes with employees and former employees. The Group is not currently party to any legal proceedings other than ordinary litigation incidental to the conduct of business. These claims are not currently expected to result in material costs and liabilities to the Group. The Group maintains appropriate insurance cover to provide protection from the small number of significant claims it is subject to from time to time.

Tax

The Group operates in more than 100 countries and within complex tax laws and regulations. At any point in time it is normal for there to be a number of open years which may be subject to enquiry by local authorities. In some jurisdictions the Group receives tax incentives (see note 6), which are subject to renewal and review and reduce the amount of tax payable. Where the effect of the laws and regulations is unclear, estimates are used in determining the liability for the tax to be paid. The Group considers the estimates, assumptions and judgements to be reasonable but this can involve complex issues which may take a number of years to resolve.

23 Principal Group companies

The principal subsidiaries whose results or financial position, in the opinion of the Directors, principally affect the figures of the Group have been shown below. All the subsidiaries shown were consolidated with Intertek Group plc as at 31 December 2023. Unless otherwise stated, these entities are wholly owned indirect subsidiaries and the address of the registered office is Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, United Kingdom.

Company name	Country of incorporation and principal place of operation	Activity
Intertek Australia Holdings Pty Limited[(i)]	Australia	Holding
Intertek Finance plc	England	Finance
Intertek Holdings Limited[(ii)]	England	Holding
Intertek Technical Services, Inc.[(iii)]	USA	Trading
Intertek Testing Services Holdings Limited[(iv)]	England	Holding
Intertek Testing Services Hong Kong Limited[(v)]	Hong Kong	Trading
Intertek Testing Services Limited Shanghai[(vi)]	China	Trading
Intertek Testing Services NA, Inc.[(vii)]	USA	Trading
Intertek Testing Services Shenzhen Limited[(viii)]	China	Trading
Intertek USA, Inc.[(ix)]	USA	Trading
Intertek USD Finance Limited	England	Finance
Labtest Hong Kong Limited[(x)]	Hong Kong	Trading
RCG-Moody International Limited	England	Holding
Testing Holdings USA, Inc.[(xi)]	USA	Holding

(i) Registered office address is 544 Berkley Road, Maddington WA 6109, Australia.
(ii) Directly owned by Intertek Group plc.
(iii) Registered office address is 25025 I-45 Suite 300, Spring, TX 77380, United States.
(iv) Registered office address is 2/F Garment Centre, 576 Castle Peak Road, Kowloon, Hong Kong.
(v) Equity shareholding 65%, company controlled by the Group based on management's assessment. Registered office address is 2nd Floor, West District, Free Trade Test Zone, Zhangyang Road, Shanghai, China.
(vi) Registered office address is 3663 US Route 11, Cortland, NY 13045, United States.
(vii) Registered office address is 3-5/F of Bldg 1, 1-3/F of Bldg 3, No 4012 Wuhe Ave, North Bantian Street, Yuanzheng Science and Technology Industrial Park, Shenzhen, Guangdong, China.
(viii) Registered office address is 545 E. Algonquin Road, Arlington Heights, Illinois 60005, United States.
(ix) Registered office address is 2/F Garment Centre, 576 Castle Peak Road, Kowloon, Hong Kong.

Group companies

In accordance with section 409 of the Companies Act 2006, all related undertakings are set out in the following list. Related undertakings comprise subsidiaries, partnerships, associates, joint ventures and joint arrangements. The principal subsidiaries listed above have not been duplicated in the following list.

Where no address is listed, the address of the registered office is Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, United Kingdom. Unless otherwise stated, the share capital for all related undertakings included in this note comprises ordinary or common stock/shares which are indirectly held by Intertek Group plc as at 31 December 2023. The percentage held by class of share is stated where this is less than 100%. No subsidiary undertakings have been excluded from the consolidation.

Fully owned subsidiaries

0949491 B.C. Limited
1280-925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada

4th Strand, LLC[(i) (x)]
1550 Evergreen Boulevard, Suite 100, Duluth, GA 30096, United States

Acucert Labs, LLP[(xi)]
8212, Shreyas, 25th Road, Sion West, Mumbai, 400022, India

Acumen Security, LLC
2400 Research Blvd, Suite 395, Rockville, MD 20850, United States

Adelaide Inspection Services Pty Limited
544 Berkley Road, Maddington WA 6109, Australia

Admon Labs Servicios Corporativos y Administrativos, S.A. de C.V.
Boulevard Adolfo Lopez Mateos #2259, Atlamaya, Alvaro Obregon, Ciudad de Mexico, C.P. 01760, Mexico

Advancing Food Safety Pty Limited.[(i)]
544 Berkley Road, Maddington WA 6109, Australia

Ageus Solutions Inc.
255 Michael Cowpland Dr, Suite 200, Ottawa, Ontario, K2M 0M5, Canada

Alchemy Investment Holdings, Inc.
5300 Riata Park Court, Austin, TX 78727, United States

Alchemy Systems, L.P.[(xi)]
5301 Riata Park Court, Austin, TX 78727, United States

Alchemy Systems Training, Inc.
5300 Riata Park Court, Austin, TX 78727, United States

Alchemy Systems Training Limited

Alchemy Training Technologies, Inc.
1 Germain Street, Suite 1500, Saint John, NB E2L 4V1, Canada

Alta Analytical Laboratory, Inc.[(i)]
200 Westlake Park Blvd., Westlake Building 4, Suite 400, Houston, TX 77079, United States

Anstat Pty Limited
544 Berkley Road, Maddington WA 6109, Australia

Architectural Testing, Inc.
130 Derry Court, York, PA 17406, United States

Architectural Testing Holdings, Inc.
130 Derry Court, York, PA 17406, United States

Bellini & Sandrini Holding LTDA
Rua Carlos Tesin, 860, sala 1, Distrito Industrial, Distrito Industrial, Estado de São Paulo, Brazil

Bigart Ecosystems, LLC[(xi)]
212 S. Wallace Avenue Bozeman, MT 59715, United States

23 Principal Group companies Continued

Caleb Brett Ecuador S.A.
Centro Comercial Valle del Sol, Av. Joaquín Orrantia González y Juan Tanca Marengo, Torre B, Piso 5, Oficina 505, Guayaquil, Ecuador

Catalyst Awareness, Inc.
43 Carolinian Lane, Cambridge, ON N1S 5S5, Canada

Center for the Evaluation of Clean Energy Technology, Inc.
3933 US Route 11, Cortland, NY 13045, United States

Check Safety First Limited

Checkpoint Solutions Ltd

Cristal Middle East SAE
22 El-Imam Ali, Amazon, Heliopolis, Cairo Governorate, Egypt

Cristal North Africa CNA
Immeuble, SCI "Faisent angle de la rue, at victoria, et rue st des ass de Tazurle, les berges du lac, 1053 Tunis, le bureau, 35 situé, au, 2ème étage, Tunis, Tunisia

Electronic Warfare Associates-Canada, Ltd
1223 Michael Street North, Suite 200, Ottawa, ON K1J 7T2, Canada

Enertech Australia Pty. Limited
544 Bickley Road, Wedgington WA 6109, Australia

Entela-Taiwan, Inc
4700 Broadmoor Avenue SE, Suite 200, Kentwood, MI 49512, United States

Esperanza Guernsey Holdings Limited
PO Box 472, St Julian's Court, St Julian's Avenue, St. Peter Port, GY1 6AX, Guernsey

Esperanza International Services (Southern Africa) (Pty.) Limited
Chester House, 13 Bland Road, Glenwood, Durban, South Africa

Excel Partnership, Inc.
250 S Wacker Drive, Suite 1800, Chicago, IL 60606, United States

Fivetix Professional Services Private Limited
F-Wing, I Floor, Tex Centre, 26-A Chandivali Farm Road, Andheri (East), Mumbai Mumbai City MH 400072, India

Four Front Research (India) Pvt Limited [G]
Plot# 847, 5th Floor, Near Electricity Substation, Ayyappa Society Road, Madhapur, Hyderabad, Telangana, 500081, India

Frameworks Inc.
1595 Sixteenth Avenue, Suite 301, Richmond Hill, ON L4B 3N9, Canada

Gamatek, S.A. de C.V.
Alan s Valdez #2308, Industrial, Monterrey, Nuevo Leon, Mexico

GCA Calidad y Analisis de Mexico, S.A. de C.V.
Jacarandas #19, San Clemente, Alvaro Obregon, Ciudad de Mexico, CP 01740, Mexico

Gellatly Hankey Marine Services (M) Sdn. Bhd.
Unit 30-01 Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

Genalysis Laboratory Services Pty Limited [M]
544 Bickley Road, Wedgington WA 6109, Australia

Geotechnical Services Pty Limited
544 Bickley Road, Wedgington WA 6109, Australia

Global Trust Certification (UK) Limited [M]

Global X-Ray & Testing Corporation
112 East Service Road, Morgan City, LA 70380, United States

Global X-Ray Holdings, Inc.
112 East Service Road, Morgan City, LA 70380, United States

Guangzhou Intertek Quality Testing Technology Co., Ltd.
Room 501, Yue Baoying East Road, Huangpu District, Guangzhou, China

H.P. White Laboratory Inc.
3114 Scarboro Road, Street, MD 21154, United States

Hawks Acquisition Holding, Inc.
545 E. Algonquin Road, Arlington Heights, Illinois 60005, United States

Hi-Tech Holdings, Inc. [I]
CT Corporation System, 1200 S. Pine Island Road, Plantation, FL 33324, United States

Hi-Tech Testing Service, Inc.
CT Corporation System, 1999 Bryan Street Suite 900, Dallas, TX 75201, United States

ILI Infodisk, Incorporated.
205 W. Wacker Dr Suite 1500, Chicago, IL 60606, United States

ILI Limited

Inspection Services (US), LLC [K]
237 Stuart Road, Amelia, LA 70340, United States

International Cargo Services, Inc. [L]
c/o CT Corp, 8550 United Plaza Blvd, Baton Rouge, LA 70809, United States

International Inspection Services Limited
33/37 Athol Street, Douglas, IM1 1LB, Isle of Man

Intertek (Mauritius) Limited
2 Palmerston Road, Phoenix, Mauritius

Intertek (Schweiz) AG
Tech Center, Koegerstrasse 18, 4153 Reinach, Switzerland

Intertek Algeria Ltd EURL
Zone urbaine Garid 1, N°7768, Bâtiment F1, 1er étage Local N°1, 16051, Kouba, Wilaya d'Alger, Algeria

Intertek Arabia A.C.
Office no. 213, Olaya Business Center, Al-Khobar 31952, Saudi Arabia

Intertek Argentina Certificaciones S.A. [M]
Cerrito 1136 3er Piso, CF, Ciudad Autónoma de Buenos Aires, C1010AAX, Argentina

Intertek Aruba N.V.
Lago Heights Street 28A, San Nicolas, Aruba

23 Principal Group companies Continued

Intertek Asset Integrity Management, Inc.
25025 I-45, Suite 300, Spring, TX 77380, United States

Intertek ATI SRL
266-268 Calea Rahovei Street, Building 61, 1st Floor, Sector 5, Bucharest, Romania

Intertek Azeri Limited
2236 Mirza Davud Str., Yasamal District, Baku, AZ 1026, Azerbaijan

Intertek BA EOOD
24A Akad. Metodi Popov Str., Floor 5, Sofia, 1113, Bulgaria

Intertek Bangladesh Limited
Phoenix Tower, Plot-497 (3rd Floor), Tejgaon I/A, Dhaka, Bangladesh

Intertek Belgium NV
Kruisschanseweg 11, 2040 Antwerp, Belgium

Intertek Burkina Faso Ltd Sarl
Lot 113, Parcelle no PE 1/2, Secteur no 1, Ouagadougou, 02 BP 5684, Burkina Faso

Intertek C&T Australia Holdings PTY Ltd [a]
544 Bickley Road, Wedding ton WA 6109, Australia

Intertek C&T Australia Pty Ltd
Level 3, 235 St Georges Terrace, Perth WA 6000, Australia

Intertek Caleb Brett (Uruguay) S.A. [xxii]
Cerrito 507 4th Floor, Cf. 46 and 47, Montevideo, 11000, Uruguay

Intertek Caleb Brett Chile S.A.
Avenida Las Condes N° 11287 Torre A, oficina 301 A, Las Condes, Santiago, Chile

Intertek Caleb Brett El Salvador S.A. de C.V.
Recinto industrial de RASA zona industrial de Acajutla, Sonsonate, El Salvador

Intertek Caleb Brett Germany GmbH
Georgswerder Bogen 3, D-21109 Hamburg, Germany

Intertek Caleb Brett Panama, Inc.
Zona Procesadora para la Exportacion de Albrook, Building 6, Ancon, Panama, Panama

Intertek Caleb Brett Venezuela C.A.
Av. Mohedano, Centro Ceramical Mohedano, piso 4, oficina 4-C, La Castellana, Municipio Chacao, Venezuela

Intertek Canada Newco Limited
2829-32nd Avenue Lachine, QC H8T 3J1, Canada

Intertek Capacitacion Chile Spa
Avenida Las Condes N° 11287 Torre A, oficina 301 A, Las Condes, Santiago, Chile

Intertek Capital Resources Limited

Intertek Certification AB
Torshamnsgatan 43, Box 1103, Kista, S-164 22, Sweden

Intertek Certification AS
Leif Weldings vei 8, 3208 Sandefjord, Norway

Intertek Certification GmbH
Marie-Bernays-Ring 19a, 41199 Monchengladbach, Germany

Intertek Certification Japan Limited
Nihonbashi North Square, 1-4-2, Nihonbashi-Horidomecho, Chuo-ku, Tokyo, 103-0012, Japan

Intertek Certification Limited

Intertek Colombia S.A.
Calle 127A No. 53A-45, Oficina 1103, Bogotá, Colombia

Intertek Commodities Mozambique Lda [xxiii]
Rua 1233, AR 72 R/C, Distrito Urbano 1, Maputo, Mozambique

Intertek Consulting & Training (UK) Limited [c]
Northpoint, Aberdeen Science & Energy Park, Exploration Drive, Bridge of Don, Aberdeen, AB23 8HZ, United Kingdom

Intertek Consulting & Training (USA), Inc. [b]
25025 I-45, Suite 300, Spring, TX 77380, United States

Intertek Consulting & Training Egypt [d]
46 B Street #7, Yasr, Cairo, Egypt

Intertek Consumer Goods GmbH
Würzburger Strasse 152, 90766 Fürth, Germany

Intertek Curacao N.V.
Barendslaan #3, Ric Canario Willemstad, Curacao, Netherlands Antilles

Intertek de Guatemala SA
46 Calle 21-53 Zona 12, Expobodega 46, Edificio 10, Guatemala Ciudad, Guatemala

Intertek de Nicaragua S.A.
Zona Franca Astro KM 47, Carretera Tipitapa Masaya, Nave 20, Managua, Nicaragua

Intertek Denmark A/S
Dokhavnsvej 3, 4400 Kalundborg, Denmark

Intertek Deutschland GmbH
Stangenstrasse 1, 70771 Leinfelden-Echterdingen, Germany

Intertek DIC A/S
Buer 12.2, 6000 Kolding, Denmark

Intertek do Brasil Inspecoes Ltda
Av Eng. Augusto Barata s/n, Alamoa, Santos, SP, CEP 11095-650, Brazil

Intertek Egypt for Testing Services
2nd Floor, Block 1300, Piece 15, Street 13, First Industrial Zone, (Beside Abou Ghali Motors), Borg El Arab City, Cairo, Egypt

Intertek Engineering Service Shanghai Limited
Room 501-5, No.14, Lane 1401, Jiangchang Road, Jing'an District, Shanghai, China

Intertek Evaluate AB
Torshamnsgatan 43, Box 1103, Kista, S-164 22, Sweden

23 Principal Group companies Continued

Intertek Finance No. 2 Ltd (a)

Intertek Finland OY
Teknobulevardi 3-5, FI-01530 Vantaa, Finland

Intertek Food Services GmbH
Oberneuhofallee 3, 82178 Puchheim, Germany

Intertek France SAS
ZAC Eocparc 2, 27400, Heudebouville, France

Intertek Fujairah FZC
P.O. Box 1307, Fujairah, United Arab Emirates

Intertek Genalysis (Zambia) Limited
Plot No 25/26 Nkwazi House, Nkwazi and Cha Cha Cha Roads, P.O Box 31014, Lusaka, Zambia

Intertek Genalysis Madagascar SA
Saint Denis Terrain II, Parcel 2 Ambatobe, Ampandrianomby, Madagascar

Intertek Genalysis South Africa Pty Ltd
544 Bickley Road, Maddington WA 6109, Australia

Intertek Ghana Limited
1st Floor Glan Towers Office, Number 2 Community, Glan Towers Tema, Accra, Accra Metropolitan,
P.O. BOX GP 199, Ghana

Intertek Global (Iraq) Limited

Intertek Global Limited
26 New Street, St Helier, Jersey, JE2 3RA, Jersey

Intertek Health Sciences Inc. (a)
2233 Argentia Road, Suite # 201, Mississauga, ON, L5N 2X7, Canada

Intertek Holding Deutschland GmbH
Stangenstrasse 1, 70771 Leinfelden-Echterdingen, Germany

Intertek Holdings France SAS
ZAC Eocparc 2, 27400 Heudebouville, France

Intertek Holdings Italia SRL (a)(g)
Via Guido Miglioli 2/A, Cernusco sul Naviglio, 20063, Milano, Italy

Intertek Holdings Nederland B.V.
Leerhoolerstraat 135, 3194AB Hoogvliet, Rotterdam, The Netherlands

Intertek Holdings Norge AS
Olevegen 2, Sandnes, 4456, Norway

Intertek Ibérica Spain, S.L.
Alameda Recalde, 27-5, 48009, Bilbao Vizcaya, Spain

Intertek India Private Limited
E-20, Block B1, Mohan Co-operative Industrial Area, Mathura Road, New Delhi, 110044, India

Intertek Industrial Services GmbH
Marie-Bernays-Ring 19a, 41199 Monchengladbach, Germany

Intertek Industry and Certification Services (Thailand) Limited
539/2 Gypsum Metropolitan Tower, 11C Fl, Si Ayudhaya Road, Thanon Phayathai Subdistrict, Khet
Ratchathewi, Bangkok, 10400, Thailand

Intertek Industry Ghana Ltd
House Number 1, North Industrial Area, Kwan Apoma Nsuo Link, Accra, P.O BOX 533, Ghana

Intertek Industry Holdings (Pty) Ltd
53 Phillip Engelbrecht Drive, Woodlands Office Park Building 2, 1st Floor Unit 3B Meyerspal, Gauteng, 1448,
South Africa

Intertek Industry Holdings Mozambique Limitada
Cidade de Maputo, Distrito Kampfumo, Bairro Sommerschield, Avenida 1301 nº97, Mozambique

Intertek Industry Services (S) Pte Ltd
2 International Business Park, #10-09/10, The Strategy, 609930, Singapore

Intertek Industry Services Brasil Ltda
Alameda Rio Negro, 161, Conj 702 - 7th floor, Alphaville, Barueri-SP, 06454-000-SP, Brazil

Intertek Industry Services de Argentina S.A.
Cerrito 1136, 2nd floor CF, Ciudad Autonoma de Buenos Aires, C1010AAX, Argentina

Intertek Industry Services Japan Limited
Nihonbashi North Square, 1-4-2, Nihonbashi-Hamacho, Chuo-ku, Tokyo, 103-0012, Japan

Intertek Industry Services Romania Srl
268-268 Calea Rahovei Street, Building 61, 1st Floor, Sector 5, Bucharest, Romania

Intertek Industry WLL
Office # 24, Building 400, Road 3207, Muharraq, Block 332, Manama, Bahrain

Intertek Inspection Services Ltd
2550 Avenue Georges V, Montreal-Est, QC H1L 6S4, Canada

Intertek Inspection Services Scandinavia AS
Leif Weldings vei 5, 3208 Sandefjord, Norway

Intertek Inspection Services UK Limited

Intertek International Gabon SARL
Quartier Montagne Sainte - Immeuble Dumez, 2ème étage, Libreville, B.P. 13512, Gabon

Intertek International Guinee S.A.R.L. (i)
Conakry Republique de Guinee, Compte Bancaire: 52481369100 05 30, Conakry Guinea

Intertek International Inc.
8600 NW 17th Street, Suite 100, Miami, FL 33126, United States

Intertek International Kazakhstan, LLC
Building 2A, Abay street, Atyrau City, 060002, Kazakhstan

Intertek International Limited

Intertek International Ltd Egypt
69, Road 261, intersection with Road 104, Ground Floor, Maadi, Cairo, Egypt

Intertek International Nederland BV
Leerhoolerstraat 135, 3194AB Hoogvliet, Rotterdam, The Netherlands

23 Principal Group companies Continued

Intertek International Niger SARL
BP 2769, 2nd Floor Lot 792 Block G, Independance Boulevard, Rue GM-20, Niger

Intertek International Suriname N.V.
Prins Hendrikstraat 49, Paramaribo, Suriname

Intertek International Tanzania Limited
Minazi Street, Kilwa Road 5, Dar es Salaam, United Republic of Tanzania

Intertek Italia SpA
Via Guido Miglioli 2/A, Cernusco sul Naviglio, 20063, Milano, Italy

Intertek Japan K.K.
Pier City Shibaura Building, 4F, 3-18-1, Kaigan, Minato-ku, Tokyo, 108-0022, Japan

Intertek Kalite Servisleri Limited Sirketi
Cevizli Mah. Tansel Cad. No: 12-18, Maltepe, Istanbul, Turkey

Intertek Korea Industry Service Ltd
Yeouido Dept Bldg #916, 36-2, Yeouido-Dong, Youngdeungpo-Gu, Seoul, 150-749, South Korea

Intertek Labtest S.A.R.L
7 Boulevard La Resistance Nº 11 La Corniche Etage 7, Casablanca, 20300, Morocco

Intertek Malta Limited
24A Level 2, Flagstone Wharf, Msida MSD 1932, Malta

Intertek Management Services (Australia) Pty Ltd
544 Bickley Road, Maddington WA 6109, Australia

Intertek Med SARL AU
Zone Franche Logistique Tanger Med, Plateau Bureaux 4, Lot 130, Tanger, Morocco

Intertek Medical Notified Body AB
Torshamnsgatan 43, Box 1103, Kista, S-164 22, Sweden

Intertek Medical Notified Body UK Ltd

Intertek Minerals Limited
Csir Badu Street, Airport Residential Area, Accra, Greater Accra, CP8196, Ghana

Intertek Myanmar Limited
Class a Strand Condo, No.699/701, Room (4-A), (4th Floor), Merchant Road, Pabedan Township, Yangon, Myanmar

Intertek Nederland B.V.
Leerlooierstraat 135, 3194 AB Hoogvliet, Rotterdam, The Netherlands

Intertek Nominees Limited

Intertek OCA France SARL
Route Industrielle - Centre Routier, 76600, Gonfreville L'Orcher, France

Intertek Overseas Holdings Limited

Intertek Overseas Holdings, Eritrea Limited [1]
3rd Floor, Warsay Avenue, P.O. Box 4568, Asmara, Eritrea

Intertek Pakistan (Private) Limited
Intertek House, Plot No. 51-A, Sector-5, Korangi Industrial Area, Karachi, Pakistan

Intertek Poland sp.z.o.o.
Cyganowa 23 B, 02-265, Warsaw, Poland

Intertek Polychemlab B.V.
Koolwaterstofstraat 1, 5151 RA, Gemert, The Netherlands

Intertek Portugal, Unipessoal Lda [2]
Rua Antero de Quental, 221-Sala 102, 4455-586, Perafita-Matosinhos, Portugal

Intertek Quality Services Ltd [3]

Intertek Resource Solutions (Trinidad) Limited
#92-92 Union Road, Marabella, Trinidad, Trinidad and Tobago

Intertek Resource Solutions, Inc.
25025 I-45, Suite 300, Spring, TX 77380, United States

Intertek Rus JSC
Proektiruemy 4062-I, 6-25-Proezd 5th, 115432, Moscow, Russian Federation

Intertek S.R.O
Sokolovska 131/66, Karlin, Praha 8, 186 00, Czech Republic

Intertek Saudi Arabia Limited
Southern Olaya Center, Office No. 213, Yakkan Al-Yukamam Street, P.O. Box 2526, Al-Khobar, 31952, Saudi Arabia

Intertek ScanBi Diagnostics AB
Box 166, Alvaro, SE-230 53, Sweden

Intertek Secretaries Limited [3]

Intertek Semko AB
Torshamnsgatan 43, Box 1103, Kista, S-164 22, Sweden

Intertek Services (Pty) Ltd
1st Floor, Building D, Stoneridge Office Park, 8 Greenstone Place, Greenstone, Gauteng, Johannesburg, 1609, South Africa

Intertek Servicios C.A. [3]
Res. San Ignacio, Calle San Ignacio de Loyola con Avenue Francisco de Miranda, Local B, Chacao, Caracas, Venezuela

Intertek Statius N.V.
Mar "C" Wal #35, Oranjestad, St. Eustatius, Netherlands Antilles

Intertek Surveying Services (USA), LLC [4]
1644 Space Center Boulevard, Suite 0-100, Houston, TX 77058, United States

Intertek Surveying Services UK Limited
Aveton House 3 Ba' Nan Roads, Teanlinich Industrial Estate, Ness, IV17 0PH, United Kingdom

Intertek Technical Inspections Canada Inc. [5]
1829-32nd Avenue, Lachine, Quebec, H8T 3J1, Canada

Intertek Technical Services PTY Limited
544 Bickley Road, Maddington WA 6109, Australia

23 Principal Group companies Continued

Intertek Technical Testing and Analysis Private Limited Company
Bole Sub City Woreda 04, House Number 834/A/, Abune Yosef, Addis Ababa, 4260, Ethiopia

Intertek Testing & Certification Limited

Intertek Testing and Inspection Services UK Limited

Intertek Testing Management Ltd

Intertek Testing Services (Australia) Pty Limited
544 Bickley Road, Maddington WA 6109, Australia

Intertek Testing Services (Cambodia) Company Limited
13A/C, Street 337, Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh, Cambodia

Intertek Testing Services (East Africa) (Pty) Limited
5th Floor Charter House, 13 Briand Road Glenwood, Kwa-Zulu Natal, 4001, South Africa

Intertek Testing Services (Fiji) Pte Limited
c/o BDO, Level 10, FNPF Place, 343 Victoria Parade, Suva, Fiji

Intertek Testing Services (Guangzhou) Ltd
No.3-E, Road 1, Xinmalvin Street, Huangge, Nansha District, Guangzhou, Guangdong, China

Intertek Testing Services (ITS) Canada Ltd
105-9080 Fl Fox Way, Burnaby BC V5J 5J3, Canada

Intertek Testing Services (Japan) K. K.
Nihonbashi North Square, 1-4-2, Nihonbashi-Horidomecho, Chuo-ku, Tokyo, 103-0012, Japan

Intertek Testing Services (NZ) Limited
3 Kepa Road, Ruakaka, Northland, 0171, New Zealand

Intertek Testing Services (Shanghai FTZ) Co., Ltd
7th Floor, Building No. 51, 1369 North Qinzhou Road, Xuhui District, Shanghai, China

Intertek Testing Services (Singapore) Pte Ltd.
8 Irving Road #05-01 to 05, Tai Seng Centre, 369522, Singapore

Intertek Testing Services (Thailand) Limited
1285/5 Prachachuen Road, Wong-Sawang Sub-District, Bangsue District, Bangkok, 10800, Thailand

Intertek Testing Services Argentina S.A.
Cerrito 1136 piso 8to. Frente, Ciudad Autonoma de Buenos Aires, (C1010AAX), Argentina

Intertek Testing Services Bolivia S.A.
Calle Chichagi # 2125, Santa Cruz, de la Sierra, Bolivia

Intertek Testing Services Caleb Brett Egypt Limited

Intertek Testing Services Chongqing Co., Limited
1F/5F Building 3 No.5, East Gongchengling Lece Road, Chongqing China

Intertek Testing Services de Honduras, S.A.
Edificio la Pradera, local es by cb 1-2 Ave, 1 calle, Puerto Cortes, Barrio el Centro, Honduras

Intertek Testing Services De Mexico, S.A. De C.V. [18]
Poniente 134, No 660 Industrial Vallejo, Mexico DF CP, 02300, Mexico

Intertek Testing Services Environmental Laboratories Inc. [19]
Lexis Document Services, 15 East North Street, Dover, DE 19901, United States

Intertek Testing Services NA Limited
1829-32nd Avenue, Lachine QC H8T 3J1, Canada

Intertek Testing Services NA Sweden AB [18]
C/o Intertek Semko AB, Box 1103, Kista, 16422, Sweden

Intertek Testing Services Namibia (Proprietary) Limited
15th Floor, Frans Indongo Gardens, Cnr Frans Indongo Street, Windhoek, Namibia

Intertek Testing Services Pacific Limited
2/F, Garment Centre, 576 Castle Peak Road, Kowloon, Hong Kong

Intertek Testing Services Peru S.A.
Jr. Mariscal Jose de la Mar No. 200 Urb. Res. El Pino, San Luis, Lima, Peru

Intertek Testing Services Philippines, Inc.
Intertek Building, 2307 Chino Roces Avenue Extension, Metro Manila, Makati City, 1231, Philippines

Intertek Testing Services Taiwan Limited
8F, No. 423 Ruguang Rd, Neihu District, Taipei, 11492, Taiwan

Intertek Testing Services Tianjin Limited
1-6/F, Block B, No. 7 Gulyuan Road, Hi-Tech Park, Tianjin, China

Intertek Testing Services Zhejiang Ltd
Building No.2, Jiaxing Science and Technology Innovation Park, No. 500 East Shuigeting Road, Haining City, Zhejiang Province, China

Intertek Timor, S.A. [18]
Hotel Timor, Colmera, Vera Cruz, Dili, Timor-Leste

Intertek Training Malaysia Sdn. Bhd.
6-12-01, Level 12, Tower 2, Menara PGRM, No. 6 & 8 Jalan Pudu Ulu, Cheras, 55100, Kuala Lumpur, Malaysia

Intertek Trinidad Limited
#91-92 Union Road, Marabella, Trinidad and Tobago

Intertek UK Holdings Limited

Intertek USA Finance LLC
c/o CSC Services of Nevada, Inc., 2215-B Renaissance Dr, Las Vegas, NV 89119, United States

Intertek Vietnam Limited
3rd & 4th Floor, An Viet Building, No. 31 Le Duc Tho Str, Mai Dich Ward, Cau Giay District, Hanoi City, Vietnam

Intertek West Africa SARL
Immeuble Centre Pavillon, 4eme etage, Rue Paul Langevin, Marcory, Zone 4, Abidjan, Côte d'Ivoire

Intertek West Lab AS
Cheyvegen 2, 4056 Tananger, Norway

Intertek Genalysis SI Limited [18]
c/o Basilo & Associates, Toc Floor, Y Sato Building, Point Cruz, Honiara, Solomon Islands

23 Principal Group companies Continued

ITS (PNG) Limited
Section 27 Allotment 27, Vaco Point, Lae, Morobe Province, Papua New Guinea

ITS (Subic Bay), Inc.
Area 8-10, Lots 11A1 2 Boton Wharf, Argonaut Highway, Subic Bay Freeport Zone, Zambales City, Philippines

ITS Guinea SARLU
Residence Almamya 103 Commune De Kaloum, Conakry, Guinea

ITS Hong Kong NA, Limited [4]
2/F Garment Centre, 576 Castle Peak Road, Kowloon, Hong Kong

ITS Labtest Bangladesh Limited
Phoenix Tower, Plot - 407 (3rd Floor), Tejgaon I/A, Dhaka, Bangladesh

ITS Testing Holdings Canada Limited
9000 3rd Fox Way, Suite 105, Burnaby, British Columbia, V5J 5J3, Canada

ITS Testing Services (UK) Limited

ITS Testing Services Co. LLC
Ras Tanura KSA, PO Box 2126, 31941, Saudi Arabia

JLA Brasil Laboratório de Análises de Alimentos S.A.
Rua Carlos Tesch, 360, sala 1, Distrito Industrial, Distrito Industrial, Estado de São Paulo, Brazil

KJ Tech Services GmbH [4]
Pallaswiesenstraße 168, 64293 Darmstadt, Germany

Laboratorio Fermi S.A. de C.V.
Jacarandas #15, San Clemente, Alvaro Obregon, Ciudad de Mexico, C.P. 01740, Mexico

Laboratorios ABC Química, Investigación y Análisis, S.A. de C.V. [4][6]
Jacarandas #15, San Clemente, Alvaro Obregón, Ciudad de Mexico, C.P. 01740, Mexico

Laboratory Services International Rotterdam B.V.
Pittsburghstraat 3, 3047 BL, Rotterdam, The Netherlands

Labtest International Inc.
545 E. Algonquin Road, Arlington Heights, IL 60005, United States

Lintec Testing Services Limited

Louisiana Grain Services, Inc. [8]
c/o CT Corp, 8550 United Plaza Blvd, Baton Rouge LA 70809, United States

Mace Land Company, Inc.
3114 Scarboro Road, Street, MD 21154, United States

Management Systems International Limited [8]

Materials Testing Lab, Inc.
145 Sherwood Avenue, Farmingdale NY 11735, United States

McPhar Geoservices (Philippines) Inc.
Building 7 & 8 Pinecrest 1 Compound, Km 23 West Service Road, Bo. Cupang, Muntinlupa City, Philippines

Melbourn Scientific Limited
Melbourn Scientific, Saxon Way, Melbourn, Hertfordshire, Royston, SG8 6DN, United Kingdom

Metoc Limited [8][9]

Midwest Engineering Services, Inc. [8]
CT Corporation System, 8020 Excelsior Dr, Suite 200, Madison WI 53717, United States

Moody (Shanghai) Consulting Co., Ltd
Room 403, No.5-6, Lane 2218, Wanrong Road, Jing an District, Shanghai, China

Moody International (Holdings) Limited [8][11]

Moody International (India) Private Limited
E-20, Block B1, Mohan Co-operative Industrial Area, Mathura Road, New Delhi, 110044, India

Moody International (Russia) Limited [4]

Moody International Certification India Limited
E-20, Block B1, Mohan Co-operative Industrial Area, Mathura Road, New Delhi, 110044, India

Moody International Holdings LLC [8]
237 Stuart Road, Amelia, LA 70340, United States

MT Group LLC
145 Sherwood Avenue, Farmingdale NY 11735, United States

MT Operating of New Jersey, LLC [8][12]
145 Sherwood Avenue, Farmingdale NY 11735, United States

MT Operating of New York, LLC [8][13]
145 Sherwood Avenue, Farmingdale NY 11735, United States

N T A Monitor Limited

NDT Services Limited

Northern Territory Environmental Laboratories Pty Ltd [8]
544 Bickley Road, Maddington WA 6109, Australia

NTA Monitor (M) Sdn Bhd
No. 18-3, Jalan Kenari off Jalan Puchong, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia

Paulsen & Bayes-Davy Ltd
2/F, Garment Centre, 576 Castle Peak Road, Kowloon, Hong Kong

Petroleum Services of Union Lab Sdn. Bhd.
Suite G7-10(B), Level 9, Block C, UEB Corporate Offices, Menara Uncang Emas, No 65 Jalan Loke Yew, Taman Miharja, 55200 Kuala Lumpur, Malaysia

Pittsburgh Testing Laboratory Inc. [8]
PSI, 850 Poplar Street, Pittsburgh PA 15220, United States

PlayerLync Holdings, Inc.
1209 Orange Street, Wilmington, New Castle DE 19801, United States

PlayerLync LLC
1209 Orange Street, Wilmington, New Castle DE 19801, United States

Profesionales Contables en Asesoría Empresarial y de Ingeniería S.A.S.
Calle 120, No. 45A - 32, Bogota, Colombia

Professional Service Industries (Canada) Inc. [8]
200 Bay Street, Suite 3900, Royal Bank Plaza, South Tower, Toronto ON M5J 2J7, Canada

23 Principal Group companies Continued

Professional Service Industries, Inc.
545 E. Algonquin Road, Arlington Heights, IL 60005, United States

Professional Service Industries Holdings, Inc.
545 E. Algonquin Road, Arlington Heights, IL 60005, United States

PSI Acquisitions, Inc.
545 E. Algonquin Road, Arlington Heights, IL 60005, United States

PT. Moody Technical Services
Graha STR 3rd Floor, Suite#302, Jl. Ampera Raya No. 11, Jakarta, 12550, Indonesia

PT. RCG Moody
Graha STR 3rd Floor, Suite#302, Jl. Ampera Raya No. 11, Jakarta 12550, Indonesia

PT. SAI Global Indonesia
Graha Iskandarsyah Lantai 4, Jalan Iskandarsyah Raya Nomor 66-C, Kebayoran Baru, Jakarta, 12160, Indonesia

QMI-SAI Canada Limited
20 Carlson Court, Suite 200, Toronto, ON, M9W 7K6, Canada

RCG Moody International Uruguay S.A.
Cerrito 507, 4th Floor, Off. 46, 47, Montevideo 11000, Uruguay

SAI Global Assurance Learning Limited [18]

SAI Global Assurance Pty Limited
544 Bickley Road, Wacdington WA 6109, Australia

SAI Global Assurance Services Limited

SAI Global Assurance Services sp. z o.o.
Oskarzewskiego 6, 02-633 Warszawie, Poland

SAI Global Australia (China) Pty Limited [17]
544 Bickley Road, Wacdington WA 6109, Australia

SAI Global Australia Pty Limited
544 Bickley Road, Wacdington WA 6109, Australia

SAI Global Certification Services Pty Limited [3]
544 Bickley Road, Wacdington WA 6109, Australia

SAI Global CIS UK Limited

SAI Global GmbH [41]
Friedrich-Ebert-Anlage 36, 60325 Frankfurt am Main, Germany

SAI Global GP [20]
205 W. Wacker Dr. Suite 1800, Chicago, IL 60606, United States

SAI Global, Inc.
615 South DuPont Highway, Dover, DE 19901, United States

SAI Global Italia S.R.L.
Corso Tazzoli 235/8, CAP 10137, Turin, Italy

SAI Global Japan Co. Ltd.
MK Bldg. 8F, 2-28-22 Shiba, Minato-ku, Tokyo, Japan

SAI Global Korea Co., Ltd
(Daerjeong-gong, Intertek Building), 3, Gongdan-ro 163beon-gil, Gunpo-si, Gyeonggi-do, Seoul, South Korea

SAI Global Mexico, S. de R.L. de C.V [20]
Periferico 134, No 650 Industrial Valleo, Mexico DF CP 02300, Mexico

SAI Global Pty Limited
544 Bickley Road, Wacdington WA 6109, Australia

SAI Global SARL
29 Rue du Pont, 92200 Neuilly-sur-Seine, France

SAI Global UK Holdings Limited

SAI Global US Holdings, Inc.
205 W. Wacker Dr. Suite 1800, Chicago, IL 60606, United States

Schindler & Associates (L.C.) [18] [20]
24900 Pitkin Road, Suite 200, The Woodlands TX 77386, United States

Shanghai Orient Intertek Testing Services Company Limited
Room 304-401, No 1425, Lane 2028, Changzhong Road, Jingan District, Shanghai, China

Shanghai Tianxiao Investment Consultancy Company Limited
Room 502, No 5-6, 1218 Wanrong Road, Shanghai 200070, China

Technical Company for Testing and Conformity Services & Systems LLC
Gates No. 1/2/5, Building 73/ Area 903, Karadah, Al Rusafa, Baghdad, Iraq

Testing Holdings Sweden AB
Forshamnsgatan 43, Box 1193, Kista, S-164 22, Sweden

Tradegood.com International Limited
2/F Garment Centre, 576 Castle Peak Road, Kowloon, Hong Kong

Van Sluys & Bayet NV
Kruisschaanseweg 11, 2040 Antwerp, Belgium

White Land Company, Inc.
3114 Scarboro Road, Street, MD 21154, United States

Wilson Inspection X-Ray Services, Inc. [3]
Michael E Wilson, 6310 Edgewater Dr, Corpus Christi TX 78412, United States

Wisco SE Asia PTE Limited [3]
3 Irving Road #05-01 to 05, Tai Seng Centre, 369522, Singapore

Youngever Holdings Ltd
Luna Tower, Waterfront Drive, Road Town, Tortola, VG 1110, British Virgin Islands

23 Principal Group companies Continued

Related undertakings where the effective interest is less than 100%

Caleb Brett Abu Dhabi LLC [xvii) xxi] (49.0%)
CB UAE (Private) Ltd, c/o Al Yahliya Group, PO Box 3728, Abu Dhabi, United Arab Emirates

Clean Energy Associates, LLC [iv] (85.0%)
16192 Coastal Highway, Lewes, DE, 19958, United States

Clean Energy Associates Limited (85.0%)
302-308 Hennessy Road, Room 2003, Wanchai, Hong Kong

Clean Energy Associates (China) Limited (85.0%)
Room 159, Building 4th, No. 2118 Guanghua Road, Minhang District, Shanghai, China

Controle Analítico Análises Técnicas Ltda. (80.0%)
281 Rua Leão XIII, Vila dos Remedios, Osasco, São Paulo, 06268-180, Brazil

CQC-SAI Management Technologies (Beijing) Co., Ltd (70%)
Level 21, Suite 2101-2103A, Beijing AVIC Building, No 10B, East 3rd Ring Road, Chaoyang District, Beijing, 100022, China

Euro Mechanical Instrument Services LLC [xxi] (49.0%)
PO Box 46153, Abu Dhabi, United Arab Emirates

International Inspection Services LLC [xvii] (70.0%)
PO Box 198, Al Harriyah, Muscat, PC 131, Oman

Intertek (Qeshm Island) Limited (51.0%)
Unit 107, Coldis Building, Valiasr Boulevard, Qeshm Island, Islamic Republic of Iran

Intertek Angola LDA (99.0%)
282 Rua Amilcar Cabral no 147 2nd floor, Apartment 2, Luanda, Angola

Intertek Burkina Faso SAS [xiii] (49%)
Lot 113, Parcelle no PE 1/2, Secteur no 12, Ouagadougou, 02 BP 5984, Burkina Faso

Intertek Caleb Brett Tzn Limited (75%)
Plot number 5, Mfinzari str- Opposite Roman Catholic Church, Kilwa Road, Kurasini Temeke, Dar Es Salaam, 15109, United Republic of Tanzania

Intertek Certification International Sdn. Bhd. [xii] (40%)
6-12-01, Level 12, Tower 2, Menara PGRM, No. 6 & 8 Jalan Pudu Ulu, Cheras, 55100 Kuala Lumpur, Malaysia

Intertek ETL SEMKO KOREA Limited (90.0%)
5F, Intertek building, Songdan-ro, 160beon-gil 3, Gunpo-si, Gyeonggi-do, 15855, South Korea

Intertek Geronimo JV Limited (70.0%)
1, North Industrial Area, Kan Street, Accra, Ghana

Intertek Global International LLC [xiii xv] (49%)
Building 242, Office No 3, C-Ring Road, Doha, PO Box 47146, Qatar

Intertek GM Testing Service Zhuhai Co., Ltd (70.0%)
6F of Research and Development Building, Guangdong-Macau TCM Park Commercial Service Center, 2582 Huan Dao Bei Road, Hengqin New Area, Zhuhai, Guangdong, China

Intertek Industry Services (PTY) LTD (69.9%)
Woodlands Office Park Building 2, First Floor Units 8a, 53 Phillip Engelbrecht Drive, Meyersdal, Gauteng, 1448, South Africa

Intertek Industry Services Colombia Limited (99.0%)
Calle 127A No. 53A-45, Oficina 1103, Bogotá, Colombia

Intertek Inspection (Malaysia) Sdn. Bhd. [xii xxi] (40%)
D-28-3, Level 28, Menara Suezcap 1, No 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200, Kuala Lumpur, Malaysia

Intertek Kimsco Co., Ltd (50.0%)
9F, Hansan Building, 115, Seosomun-ro, Jung-gu, Seoul, 04515, South Korea

Intertek Lanka (Private) Limited (70.0%)
Intertek House, No 282, Kaduwela Road, Battaramulla, Sri Lanka

Intertek Libya Technical Services and Consultations Company Spa (65.0%)
PO Box 3786, Hay Alandalus, Gargaresh, Tripoli, Libya

Intertek Life Bridge (Shanghai) Testing Services Co., Ltd (80.0%)
4F, No 6 Bld, Lane 128, Wenning Road, Shanghai, 200070, China

Intertek Ltd (99.9%)
Borco Admin Station Bldg, West Sunrise Highway, Freeport, Grand Bahama, The Bahamas

Intertek - QNP LLP [xvi] (51.0%)
Building 2A, Abay street, Atyrau City, 060002, Kazakhstan

Intertek Robotic Laboratories Pty Limited (50.0%)
544 Birkley Road, Mecklington WA 6109, Australia

Intertek South Africa Holdings (Pty) Ltd (75.0%)
5th Floor, Charter House, 13 Grand Road, Glenwood, Kwazulu-Natal, South Africa

Intertek Test Hizmetleri Anonim Sirketi (85.0%)
Merkez Mahalles, Sanay Cad, No 23, Altindag Plaza, Yenibosna-34197, Istanbul, Turkey

Intertek Testing Services (South Africa) (Pty) Ltd [xii xiv] (49.5%)
5th Floor, Charter House, 13 Grand Road, Glenwood, Durban, South Africa

Intertek Testing Services Changzhou Ltd (85.0%)
Room 201, No 4 Floor, Changzhou Testing Industrial Park, Tanning District, Changzhou, China

Intertek Testing Services Korea Limited (50.0%)
1st F., A-ju Digital Tower, 284-55, Seongsu-dong 2-ga, Seongdong-gu, Seoul 133-120, South Korea

Intertek Testing Services Nigeria Limited (65.9%)
733 Yarine Road, Apapa GRA, Apapa, Lagos, 102272, Nigeria

Intertek Testing Services Sichuan Co., Ltd (90.0%)
No 1, Jiuxiang 3Rd, Pharmacy Industry Park, Guzhou National High Technology District, Sichuan, China

Intertek Testing Services Wuxi Ltd (70.0%)
1/F, No 8 Fubei Road, Xishan Economic Development Zone, Wuxi, Jiangsu, 214101, China

ITS Caleb Brett Deniz Survey A S (50.0%)
Ulus Mah. Cz Topuz Cad. no:32, Besiktas, Istanbul, 34340, Turkey

23 Principal Group companies Continued

ITS Testing Services (M) Sdn Bhd (74.0%)
Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

ITS Testing Services Holdings (M) Sdn Bhd [xiv] (49.0%)
Unit 30-01 Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

Moody International Angola Ltda [ii] [xxi] (78.6%)
Rua de Macau, Edificio ex Edil Actol 2, Res do Chao Esq, C.P 2155, Cabinda, Angola

Moody International Bangladesh Limited (99.9%)
House 6, Road 17/A, Block E, Ground Floor, Banani, Dhaka, 1213, Bangladesh

Moody International Holdings Chile Ltda (99.0%)
Avenida Las Condes N° 11287 Torre A, oficina 301 A, Las Condes, Santiago, Chile

Moody International Lanka (Private) Ltd [v] (99.9%)
No.5, St Albans Place, Colombo-4, Sri Lanka

Moody International Philippines, Inc. [v] (92.5%)
Intertek Building, 2350 Don Bosco Avenue Extension, Pedro Manila, Makati City, 1231, Philippines

PT Citrabuana Indoloka (50.0%)
Jl. Raya Bogor KM 28, RT/RW. 04/07, Kel. Pekayon, Kec. Pasar Rebo, Jakarta Timur, 13710, Indonesia

PT. Global Assurance Services [iii] (99.8%)
Graha Iskandarsyah Raya No.66-C, Jakarta, 12560, Indonesia

PT. Intertek Utama Services [xxi] (49.0%)
Jl. Raya Bogor KM. 28, RT/RW. 04/07, Kel. Pekayon, Kec. Pasar Rebo, Jakarta Timur, 13710, Indonesia

Qatar Calibration Services LLC [xxi] (49.0%)
Petrotec, PO Box 15069, 8th Floor, Toyota Tower, Doha, Qatar

RCG Moody International de Venezuela S.A. [iii] (99.0%)
Res. Morgana, p_4, #04, Av Andres Bello, Fte de Miranda, Los Palos Grandes, Caracas, Venezuela

SAI Global (Cyprus) Holdings Limited (60.0%)
1 Lampousas Street, 1095 Nicosia, Cyprus

SAI Global Eurasia LLC (60.0%)
5B pereulok 17-i kom, litera a, 7 nat. Rek Volkov, 192102, St. Petersburg, Russian Federation

Shanghai Moody Management & Technical Services Co. Ltd [iv] (90.0%)
Room 225 No.14 at Lane No.1700 Luo Shan Road, Shanghai, China

Société SAI Global Tunisia SARL (75.0%)
67, Avenue Alain Savary, Cite les arcins 2 Bloc A, Tunis, Tunisia

Société Tunisienne Intertek Caleb Brett SARL (51.0%)
67 rue Ech-Cher, Tunis, 1002, Tunisia

The Wine Warehouse (Chepstow) Management Company Limited (75%)

Associates

Moody International Certification Ltd (40.0%)
53, Mount C, Triq Il-Kbira, San Gwann, SGN 1943, Malta

Moody Certification Maroc SARL (30.0%)
28, Rue de Picardie, 2eme etage, Casablanca, Morocco

Moody International SA (35.0%)
4 Rue Des Brasseurs, Zone 3 Abidjan, Côte d'Ivoire

(i) Dormant.
(ii) In liquidation/Strike off requested.
(iii) Ownership held in class A and B shares.
(iv) Ownership held in class A and B shares.
(v) Ownership held in class A, B, C, D and E shares.
(vi) Ownership held in class A, B, C, D, E and F shares.
(vii) Ownership held in ordinary and ordinary-A shares.
(viii) Ownership held in ordinary, ordinary-A, ordinary-B and deferred shares.
(ix) Ownership held in ordinary and preference shares.
(x) Ownership held in ordinary and redeemable shares.
(xi) Ownership held in ordinary and redeemable preference shares.
(xii) Ownership held in No.1, No.2.1 and No.2.2 shares.
(xiii) Ownership held in class I Series B shares and class II Series B shares.
(xiv) Ownership held in ordinary bearer shares.
(xv) Ownership held in membership units.
(xvi) Ownership held in quota capital shares.
(xvii) Ownership held in charter fund capital.
(xviii) The Group obtains 95% of the economic benefit of the company.
(xix) Intertek has de facto control of the company.

Intertek Group plc - Company balance sheet

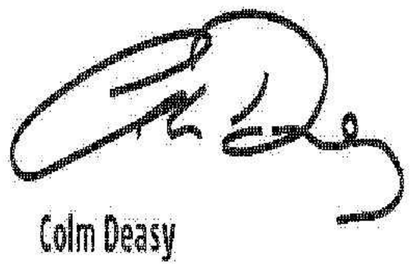
As at 31 December	Notes	2023 £m	2022 £m
Fixed assets			
Investments in subsidiary undertakings	(B)	360.2	354.8
Current assets			
Debtors due within one year	(F)	439.2	387.4
		439.2	387.4
Cash at bank and in hand		-	0.2
		439.2	387.6
Creditors due within one year			
Overdrafts and loans		(2.4)	-
Other creditors	(G)	(40.3)	(7.4)
		(42.7)	(7.4)
Net current assets		**396.5**	380.2
Total assets less current liabilities		**756.7**	734.5
Net assets		**756.7**	734.5
Capital and reserves			
Called up share capital	(H)	1.6	1.6
Share premium	(H)	257.8	257.8
Profit and loss reserves	(H)	497.3	475.1
Total shareholders' funds		**756.7**	734.5

The profit for the financial year was £199.9m (2022: £142.9m).

The financial statements on pages 51 to 56 were approved by the Board on 4 March 2024 and were signed on its behalf by:



André Lacroix
Chief Executive Officer



Colm Deasy
Chief Financial Officer

Company number 04257576

Intertek Group plc - Company statement of changes in equity

	Notes	Share capital £m	Share premium £m	Profit and loss reserves £m	Total equity £m
At 1 January 2022		1.6	257.8	491.6	751.0
Total comprehensive income for the year					
Profit	(B)	-	-	142.9	142.9
Total comprehensive income for the year		-	-	142.9	142.9
Transactions with owners of the Company recognised directly in equity					
Contributions by and distributions to the owners of the Company					
Dividends paid	(D)	-	-	(170.6)	(170.6)
Purchase of own shares		-	-	(2.3)	(2.3)
Tax paid on Share Awards vested		-	-	(4.0)	(4.0)
Equity-settled transactions	(E)	-	-	17.5	17.5
Total contributions by and distributions to the owners of the Company		-	-	(159.4)	(159.4)
At 31 December 2022		1.6	257.8	475.1	734.5
At 1 January 2023		1.6	257.8	475.1	734.5
Total comprehensive income for the year					
Profit	(B)	-	-	193.9	193.9
Total comprehensive income for the year		-	-	193.9	193.9
Transactions with owners of the Company recognised directly in equity					
Contributions by and distributions to the owners of the Company					
Dividends paid	(D)	-	-	(176.3)	(176.3)
Purchase of own shares		-	-	(11.6)	(11.6)
Tax paid on Share Awards vested		-	-	(5.0)	(5.0)
Equity-settled transactions	(E)	-	-	21.2	21.2
Total contributions by and distributions to the owners of the Company		-	-	(171.7)	(171.7)
At 31 December 2023		1.6	257.8	497.3	756.7

(A) Accounting policies - Company

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"), in conformity with the requirements of the Companies Act 2006.

These financial statements have been prepared on a historical cost basis. The Company continues to adopt the going concern basis of accounting in preparing these financial statements. Further detail on going concern can be found in note 1 to the Group financial statements.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

These financial statements are presented in sterling, which is the functional currency of the Company. All information presented in sterling has been rounded to the nearest £0.1m.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new, but not yet effective, IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- disclosures in respect of the compensation of Key Management Personnel; and
- certain disclosures required by FRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures* on the basis that the consolidated financial statements include the equivalent disclosures.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of IFRS 2 *Share-Based Payment* in respect of Group-settled share-based payments.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Foreign currencies

Transactions in foreign currencies are recorded to the Company's functional currency, sterling, using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. All foreign exchange differences are taken to the profit and loss account.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Dividends on shares presented within shareholders' funds

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established. Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provisions for impairment.

Intercompany financial guarantees

When the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies in the Group, upon the adoption of IFRS 17 effective from 1 January 2023, the Company has elected to recognise these under IFRS 9. On this basis, the Company recognises these guarantees at fair value upon recognition on a contract by contract basis. Subsequent remeasurement is performed at each reporting period and recorded at the higher of the loss allowance under expected credit loss and the initial fair value less any income recognised.

Share-based payments

Intertek Group plc runs a share ownership programme that allows Group employees to acquire shares in the Company. Details of the share schemes are given in note 17 of the Group financial statements.

(A) Accounting policies - Company Continued

Investments impairment review

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Estimates are used in determining the level of investment that will not, in the opinion of the Directors, be recoverable.

Recoverability of receivables

Amounts owed by Group undertakings are recognised initially at the value of the invoice or loan raised and subsequently at the amounts considered recoverable (amortised cost). Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. The Company applies the simplified approach permitted by FRS 9, which requires the use of the lifetime expected loss provision for all receivables. The provision calculations are based on a review of all receivables to see if there are specific circumstances which would render the receivable irrecoverable and therefore require a specific provision.

Significant new accounting policies and standards

No significant new accounting policies or standards were adopted in the year ending 2023.

(B) Profit and loss account

Amounts paid to the Company's auditors and their associates in respect of services to the Company other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis. The Company does not have any employees (2022: nil).

Details of the remuneration of the Directors are set out in the Remuneration report on Book two pages 78 to 103.

(C) Use of judgements and estimates

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below. There are no critical estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year.

Key estimations and uncertainties

There are no critical accounting judgements or estimates.

(D) Dividends

The aggregate amount of dividends comprises:

	2023 £m	2022 £m
Final dividend paid in respect of prior year but not recognised as a liability		
of the year	115.5	115.5
Interim dividends paid in respect of the current year	60.8	55.1
Aggregate amount of dividends paid in the financial year	**176.3**	170.6

The aggregate amount of dividends proposed and recognised as liabilities as at 31 December 2023 is £nil (2022: £nil). The aggregate amount of dividends proposed and not recognised as liabilities as at 31 December 2023 is £120.2m (2022: £115.5m).

(E) Investment in subsidiary undertakings

	2023 £m	2022 £m
Cost and net book value		
At 1 January	354.3	347.8
Additions due to share-based payments	21.2	17.5
Recharges of share-based payments to subsidiaries	(15.3)	(10.5)
At 31 December	**360.2**	354.8

The Company has made Share Awards to the employees of its directly and indirectly owned subsidiaries, and as such, the Company recognises an increase in the cost of investment in subsidiaries of £21.2m (2022: £17.5m). Details of the principal operating subsidiaries are set out in note 23 to the Group financial statements.

The Company had two direct subsidiary undertakings at 31 December 2023: Intertek Testing Services Holdings Limited and Intertek Holdings Limited, both of which are holding companies and incorporated in the United Kingdom and registered in England and Wales. All interests are in the ordinary share capital and all are wholly owned. In the opinion of the Directors, the value of the investments in subsidiary undertakings is not less than the amount at which the investments are stated in the balance sheet.

There is no impairment to the carrying value of these investments (2022: £nil).

(F) Debtors due within one year

	2023 £m	2022 £m
Amounts owed by Group undertakings - due within one year	439.2	387.4
Total debtors	**439.2**	387.4

The amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. A mixture of the amounts due are interest bearing and interest free.

(G) Creditors due within one year

	2023 £m	2022 £m
Trade and other creditors	3.1	3.7
Income tax payable	3.1	3.5
Amounts owed to Group undertakings	34.1	0.2
Total creditors	**40.3**	7.4

The amounts owed to Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. A mixture of the amounts due are interest bearing and interest free.

(H) Statement of changes in equity

Details of share capital are set out in note 15 and details of share-based payments are set out in note 17 to the Group financial statements.

A profit and loss account for Intertek Group plc has not been presented as permitted by Section 408 of the Companies Act 2006. The profit for the financial year, before dividends paid to shareholders of £176.3m (2022: £170.6m), was £193.9m (2022: £142.9m), which was mainly in respect of dividend income in relation to 2023.

The Company has sufficient distributable reserves to pay the 2023 final dividend and the anticipated 2024 interim dividend. When required, the Company can receive additional dividends from its subsidiaries to further increase distributable reserves.

The Group settled in cash the tax element of the Share Awards vested in 2023 amounting to £56m (2022: £44m), of which the Company settled £50m (2022: £40m).

During the year ended 31 December 2023, the Company purchased, through its Employee Benefit Trust, 278,500 (2022: 45,000) of its own shares with an aggregate nominal value of £2,785 (2022: £450) for £1.6m (2022: £2.3m) which was charged to profit and loss reserves.

(I) Related party transactions

Details of related party transactions are set out in note 31 of the Group financial statements.

Listed below are subsidiaries controlled and consolidated by the Group, where the Directors have taken the exemption from having an audit of its financial statements for the year ended 31 December 2023. This exemption is taken in accordance with Section 479A of the Companies Act.

Company Name	Company registration
Intertek Nominees Limited	04586152
Moody International (Holdings) Limited	04843152
Intertek UK Holdings Limited	00373440
Intertek Holdings Limited	04604778
Intertek USF Finance Ltd	07598700
Intertek Finance No. 2 Ltd	08072171
Intertek Capital Resources Limited	03868392
Intertek Testing Services Holdings Limited	03227453
BCG-Moody International Limited	00312060
Intertek Overseas Holdings Limited	00536349
Intertek Testing Management Ltd	00948153
Lintec Testing Services Limited	03339548
Intertek Testing & Certification Limited	03272281
Metoc Limited	01483775
ADT Services Limited	01997290
Melbourn Scientific Limited	02358299
Intertek Testing and Inspection Services UK Limited	06851820
Intertek Certification Limited	02075885
Alchemy Systems Training Limited	07448398
Check Safety First Limited	04748366
Checkpoint Solutions Ltd	09844787
SA Global Assurance Services Ltd	03590650
SA Global CIS UK Limited	07428352
EJ Limited	05605930

(I) Related party transactions continued

Company Name	Company registration
The Wire Warehouse (Chepstow) Management Company Limited	05747549
Intertek Testing Services Caleb Brett Egypt Limited	C0542087
Intertek Global (Iraq) Limited	C9358612
Intertek Medica Notified Body UK Limited	13604915

(J) Contingent liabilities

The Company is a member of the group of UK companies that are part of a composite banking cross-guarantee arrangement. This is a joint and several guarantee given by all members of the Intertek UK cash pool, guaranteeing the total gross liability position of the pool which was £108m at 31 December 2023 (2022: £136m).

From time to time, in the normal course of business, the Company may give guarantees in respect of certain liabilities of subsidiary undertakings. As at the 31 December 2023 the value of these guarantees is £nil.

(K) Subsequent events

Details of post-balance sheet events relevant to the Company and the Group are given in note 18 of the Group financial statements.

Independent Auditors' Report to the members of Intertek Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Intertek Group plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's and company's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework"); and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise the consolidated statement of financial position and company balance sheet as at 31 December 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and company statement of changes in equity for the year then ended, and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in the Audit Committee report within the Directors' report, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We performed full scope audit procedures over 54 legal entities and specific audit procedures on a further two entities, covering 23 territories in total.
- Taken together, the entities over which audit work was performed accounted for 73% of the group's revenue and 74% of the group's statutory profit before tax.

Key audit matters

- Impairment of goodwill (group)
- Valuation of defined benefit pension scheme liabilities (group)
- Impairment of investments in subsidiary undertakings (parent)

Materiality

- Overall group materiality: £26,800,000 (2022: £20,800,000) based on approximately 5% of profit before tax.
- Overall company materiality: £5,357,000 (2022: £7,420,000) based on approximately 1% of total assets.
- Performance materiality: £15,000,000 (2022: £15,000,000) (group) and £4,700,000 (2022: £5,500,000) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill (group) Refer to the Audit Committee report in Book two, page 77 and to note 9 in the financial statements. The group had £1,365.8 million of goodwill recognised on the balance sheet at 31 December 2023. The potential impairment of goodwill is dependent on future cash flows of the underlying Cash Generating Units ("CGUs") and there is a risk that, if these cash flows are not sufficient to support the carrying value, the assets may be impaired. Having considered the industry environments and business performance, we consider that the CGUs for Business Assurance, Caleb Brett, Building & Construction and Chemicals & Pharma represent an elevated risk of impairment, requiring greater audit effort. Accounting standards require management to perform an annual assessment of the carrying value of goodwill. As this assessment is based on the future value in use, and a significant amount of value is based on the value to perpetuity of the CGUs, future cash flows must be estimated, which can be highly judgemental and could significantly impact the carrying value of the assets.	We evaluated management's cash flow forecasts and understood the process by which they were determined and approved. This included confirming that the forecasts were consistent with the latest Board approved budgets and checking the methodology and mathematical accuracy of the underlying calculations, with no exceptions identified. We evaluated the inputs included in the value in use calculations and challenged the key assumptions for the higher risk CGUs - Business Assurance, Caleb Brett, Building & Construction and Chemicals & Pharma, by obtaining evidence including in respect of the following: • the growth rates used in the cash flow forecasts by comparing them with historical results, external forecasts and our understanding of the business; • using our internal valuation experts to evaluate the discount rate by comparing the cost of capital for the group with comparable organisations; and • the long-term growth rates by comparing these with publicly available market data on projected growth rates in key territories such as China, the United States and the United Kingdom. We performed sensitivity analyses around these assumptions. We also challenged the extent to which climate change considerations had been reflected, as appropriate, in management's impairment assessment process. Having ascertained the extent of change in these assumptions that either individually or collectively would be required for an impairment to arise, we considered the likelihood of such a movement occurring to be unlikely. Our testing did not identify any impairment and confirmed that it would require significant downside changes before any impairment would be triggered. In addition, we assessed the appropriateness of the CGUs used in the impairment assessment and the related disclosures and concluded that these were appropriate.

Key audit matter	How our audit addressed the key audit matter
Valuation of defined benefit pension scheme liabilities (group) Refer to the Audit Committee report in Book two, page 77 and to note 16 in the financial statements. The group had two major pension schemes in the United Kingdom and Switzerland. The United Kingdom scheme has a net surplus of £27.8 million and the Switzerland scheme has a net deficit of £4.8 million. They were recognised on the balance sheet at 31 December 2023. The present value of funded defined benefit obligations for the United Kingdom scheme is £610 million and £182 million for the Switzerland Scheme at 31 December 2023. The valuation of pension liabilities involves the exercise of judgement and technical expertise in choosing appropriate actuarial assumptions such as the discount rate, inflation level, mortality rates and salary increases. Based on these considerations, we assessed this to be an elevated audit risk. Management engaged external actuarial experts to assist them in selecting appropriate assumptions and to calculate the liabilities. The methodologies and assumptions utilised are judgemental and could significantly impact the magnitude of the liabilities recognised.	We utilised our internal actuarial experts to evaluate whether the assumptions and methodology used in calculating the pension liabilities were reasonable by: • Assessing whether salary increases and mortality rate assumptions were reasonable based on the consideration of the specifics of each plan, pension plans of similar maturity to the groups and industry benchmarks; • Evaluating the consistency of the discount and inflation rate assumptions with our internally developed benchmarks based on national data; and • Reviewing the methodology and calculations prepared by external actuaries to assess their appropriateness and the consistency of the assumptions used. Based on our procedures, we concluded that the key assumptions utilised lay within acceptable ranges and that the methodology was appropriate. We assessed the related disclosures included in the group financial statements and concluded that these were appropriate.
Impairment of investments in subsidiary undertakings (parent) Refer to note E in the Company financial statements. The parent company had £360.2 million of investments in subsidiary undertakings. There is a risk that the performance of the subsidiary undertakings is not sufficient to support the carrying value and the assets may be impaired. Management has performed an assessment of impairment indicators with none being identified. Although this was not an area of the greatest risk in respect of the Company financial statements, it utilised more senior audit team time and hence has been included as a Key Audit Matter.	We evaluated management's assessment of impairment indicators and considered the consistency with other audit procedures performed. We concluded management's view that no impairment indicators exist was reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group is now split into five reporting segments: Consumer Products, Corporate Assurance, Health and Safety, Industry and Infrastructure and World of Energy, which changed from the previous three reporting segments during the year. The group's operations are spread across over 100 territories and approximately 600 legal entities. The results are not consolidated at a territory or regional level, so we determined that the most appropriate level at which to scope our audit was the legal entity level.

When determining our scope, the key financial measure used was profit before tax. Due to the disaggregation of the group's results across the various entities, we identified two individually financially significant legal entities, one within China and one within the United States. As a result, we instructed our component teams to perform audits of the complete financial information of these entities.

We considered the territories in which PwC is appointed statutory auditor. Of these, 15 territories (including China) accounted for a substantial proportion of external profit, and we therefore focused our considerations on these territories. Within these territories, we then excluded any legal entities with limited external balances, such as intermediate holding companies, and those entities with highly immaterial revenue. This left 39 legal entities (including the one financially significant legal entity in China) for which we instructed our local teams to perform audits of the complete financial information for the purpose of the group audit. In addition we performed full scope audit procedures over two head office legal entities.

In certain territories, notably the United States and Canada, there is no statutory audit requirement and so we considered whether procedures needed to be performed to supplement our coverage. We selected seven of the largest entities in the United States and Canada for full scope audits (including the one financially significant legal entity in the United States), representing those with the largest contribution to group profit.

We identified a further two legal entities in Brazil and Saudi Arabia over which we instructed specific audit procedures to be performed over revenue and receivables to supplement coverage over these key financial statement line items.

In addition, there were six legal entities in three territories where a non-PwC network audit firm is the appointed statutory auditor. We instructed them to perform audits of the complete financial information for the purpose of the group audit.

In total we performed procedures relating to 56 legal entities in 23 territories, which together accounted for 73% of the group's revenue and 74% of the group's profit before tax.

This, together with additional procedures performed at the group level (including audit procedures over business acquisitions, impairment assessments, defined benefit pension schemes, tax and consolidation adjustments), gave us the evidence we needed for our opinion on the financial statements as a whole.

The impact of climate risk on our audit

As part of our audit we have made enquiries of management to understand the process they adopted to assess the extent of the potential impact of climate risk on the financial statements and support the disclosures made in relation to climate risk within the Strategic Report and Sustainability Report.

In addition to enquiries with management, we also read the Carbon Disclosure Project public submission made by the group.

We assessed the completeness of management's climate risk assessment by reading external reporting made by management including the Carbon Disclosure Project submissions and making management aware of any internal inconsistencies in their climate reporting and challenging the consistency of management's climate impact assessment with internal board minutes, including whether the time horizons management have used take account of the relevant aspects of climate change such as transition risks.

The Board has made commitments to get to net zero carbon emissions by 2050.

Management has assessed that there is no material impact on the financial reporting judgements and estimates arising from their considerations, consistent with their assessment of no material impact of climate-related policies directly on the business.

Using our knowledge of the business, we evaluated management's risk assessment, its estimates as set out in note 1 of the financial statements and resulting disclosures where significant. In particular we have considered how climate risk would impact the assumptions made in the forecasts prepared by management used in their impairment analyses, as referenced in the key audit matter in relation to the impairment of goodwill above.

We also considered the consistency of the disclosures in relation to climate change within the Strategic Report and the Sustainability Report with the financial statements and our knowledge obtained from the audit.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters, for the year ended 31 December 2023.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	£20,800,000 (2022: £20,800,000).	£6,357,000 (2022: £7,400,000).
How we determined it	approximately 5% of profit before tax	approximately 1% of total assets
Rationale for benchmark applied	We believe that profit before tax is the primary measure used by the shareholders and users of the financial statements in assessing the performance of the Group. This is a generally accepted benchmark.	These are single set of company accounts for an entity which has no external revenue and takes advantage of the exemption offered under S408 of Companies Act 2006 not to present its income statement in its financial statements, which are presented alongside the group financial statements within the Annual Report. As a result, the determination of materiality was based on the total assets of this non-trading holding company within the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £1.3 million and £6.2 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £15,100,000 (2022: £15,000,000) for the group financial statements and £4,700,000 (2022: £5,500,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1,000,000 (group audit) (2022: £1,000,000) and £317,800 (company audit) (2022: £1,000,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- An assessment of management's base case and severe but plausible scenarios, challenging the key assumptions;
- Considering the group's available financing, including relevant covenants, and maturity profile to assess liquidity through the assessment period;
- Testing the mathematical integrity of the forecasts and the models and reconciled these to Board approved budgets; and
- Performing our own independent sensitivity analysis to assess appropriate downside scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Remuneration Committee report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks.
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated.
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy.
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to fraud, anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and relevant tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent journal entries to manipulate the financial performance and management bias in significant accounting estimates in order to achieve management incentive scheme targets. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Enquiring of management, those charged with governance and the group's legal counsel around actual and potential fraud and non-compliance with laws and regulations;
- Auditing the risk of management override of controls and the risk of fraud in revenue recognition, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates, testing accrued income and evaluating the business rationale of significant transactions outside the normal course of business;
- Enquiring of the group's staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Obtaining and understanding the results of whistleblowing procedures;
- Enquiring of the group's Head of Internal Audit and reviewing internal audit reports; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Remuneration Committee report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 25 May 2016 to audit the financial statements for the year ended 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement is eight years, covering the years ended 31 December 2016 to 31 December 2023.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Graham Parsons
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 March 2024

Glossary - Alternative performance measures

Introduction

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). These measures are not defined by UK-accepted international accounting standards. As adjusted results and measures include the benefits of certain Separately Disclosed Items ("SDIs") (as detailed in note 3), but excludes significant costs related to those items, they should not be regarded as a complete picture of the Group's financial performance, which is presented on the face of the income statement under total results. The exclusion of these items may result in adjusted operating profit being materially higher or lower than total operating profit. In particular, where significant incentives, restructuring charges and legal costs are excluded in any year, adjusted operating profit will be higher than total operating profit.

Purpose

The Directors believe that APMs assist the user of the Annual Report & Accounts in providing useful information around trends, performance and the position of the Group between reporting periods and across operating divisions by adjusting for non-recurring factors assessing the total results of the Group, as well as aiding users in understanding the Group's performance. APMs are commonly used by management for performance review, budget setting and forecasting across the Group.

Some of the metrics shown for the Group are translated at constant exchange rates. Constant rates compares both 2023 and 2022 figures at the average and year-end exchange rates for 2023, in order to remove the impact of currency translation from the Group's growth figures.

Changes to APMs

There have been no significant changes to the definitions of existing APMs or the APMs used by the Group in the year.

Reconciliations

Reconciliations between statutory and adjusted measures can be found in the Financial review in Book one, page 30.

APM	Closest equivalent statutory measure	Adjustments to reconcile adjusted to statutory	Definition and purpose
Like-for-like revenue ("LFL")	No direct equivalent	Acquisitions and business disposals	Including acquisitions following their 12-month anniversary of ownership and removing the historical contribution of any business disposals/closures. Excluding acquisitions and disposals demonstrates the Group's performance for comparable operations year-on-year by removing any inflation of revenue in the current year or prior year contributed from new acquisitions or disposals.
Adjusted free cash flow	Net cash flows from operating activities	Includes cash flows from acquisition and sale of PPE, repayment of lease liabilities and interest received. Excludes the impact of cash flow SDIs.	Free cash flow includes net cash flows from operating activities and certain cash flows from investing activities and the repayment of lease liabilities. The following items are excluded as all other cash flows from financing activities. This measure reflects the cash available to shareholders. This is a key performance metric for the incentive scheme.

Glossary - Alternative performance measures Continued

APM	Closest equivalent statutory measure	Adjustments to reconcile adjusted to statutory	Definition and purpose
Adjusted operating profit*	Statutory operating profit*	Separately disclosed items (see note 3), including amortisation of acquisition intangibles, impairment of goodwill and other assets, the profit or loss on disposals of businesses or other significant non-current assets, costs of acquiring and integrating acquisitions, the cost of any fundamental restructuring, material claims and settlements, significant recycling of amounts from equity to the income statement and unrealised market or fair value gains or losses on financial assets or liabilities including contingent consideration.	Adjusted operating profit is a key measure of the Group's performance and is based on operating profit before the impact of SDIs. These items relate to income or costs that are excluded from adjusted operating profit due to their nature or size to provide readers with a clear and consistent view of the business performance of the Group and its operating divisions on a year-on-year basis.
Adjusted operating margin	Statutory operating margin	As per adjusted operating profit.	Adjusted operating profit divided by revenue, both before the impact of SDIs. These items relate to income or costs that are excluded from adjusted operating profit due to their nature or size to provide readers with a clear and consistent view of the business performance of the Group and its operating divisions on a year-on-year basis.
Adjusted diluted earnings per share	Statutory diluted earnings per share	SDIs after tax (see note 3) including amortisation of acquisition intangibles, impairment of goodwill and other assets, the profit or loss on disposals of businesses or other significant non-current assets, costs of acquiring and integrating acquisitions, the cost of any fundamental restructuring, material claims and settlements, significant recycling of amounts from equity to the income statement, and unrealised market or fair value gains or losses on financial assets or liabilities including contingent consideration.	This metric relates to profit after tax before SDIs divided by the weighted average number of ordinary shares in issue during the financial year adjusted for the effects of potentially dilutive shares. This is a key performance metric for the incentive scheme.
Adjusted cash flow from operations	Cash flow from operations	Cash flows relating to separately disclosed items, as identified in the cash flow statement.	This excludes the impact of the cash flows relating to SDIs to reflect the cash flows available during recurring operations.
Adjusted net financing costs	Statutory net finance costs	Changes in fair value of contingent consideration.	Adjusted net financing costs exclude income or costs that, due to their nature or size, provide the readers with a clear and consistent view of the business performance of the Group on a year-on-year basis.

Glossary - Alternative performance measures Continued

APM	Closest equivalent statutory measure	Adjustments to reconcile adjusted to statutory	Definition and purpose
Adjusted profit after tax	Statutory profit after tax	As per adjusted profit and additionally any separately disclosed tax related items are excluded.	Adjusted profit after tax is based on profit after tax before the impact of SDIs. These items relate to income or costs that are excluded from adjusted operating profit due to their nature or size to provide readers with a clear and consistent view of the business performance of the Group and its operating divisions on a year-on-year basis.
ROIC (based on adjusted profit)	No direct equivalent	Adjusted operating profit* is the profit measure used in calculating ROIC.	Adjusted profit after tax (as defined above) divided by invested capital. This is a key performance metric for the incentive scheme.
Net financial debt	No direct equivalent	Total net debt less lease liabilities.	This measure shows the non-operational financial debt of the Group excluding lease liabilities.
Adjusted EBITDA	Statutory EBITDA	Earnings before interest, tax, depreciation and amortisation and excluding SDIs (see note 3), including amortisation of acquisition intangibles, impairment of goodwill and other assets, the profit or loss on disposal of businesses or other significant non-current assets, costs of acquiring and integrating acquisitions, the cost of any fundamental restructuring, material claims and settlements, significant recycling of amounts from equity to the income statement, and unrealised market or fair value gains or losses on financial assets or liabilities, including contingent consideration.	This metric removes the impact of both SDIs and interest, tax, depreciation and amortisation to provide a clear and consistent view of the business performance of the Group year-on-year at a level before the impact of some non-cash items and financing costs.

* Operating profit is presented on the consolidated income statement, is not defined per IFRS, however, is a generally accepted profit measure.

Shareholders and corporate information

Shareholders' enquiries

Any shareholder with enquiries relating to their shareholding should, in the first instance, contact our Registrar, EQ (Equiniti), using the telephone number or the address below.

Electronic shareholders communications

Instead of receiving paper copies, shareholders can elect to receive communications by email each time the Company distributes documents. This can be done by registering for email communications at www.shareview.co.uk. In the event that you change your mind or require a paper version of any document in the future, please contact the Registrar.

Access to EQ Shareview allows shareholders to view details about their shareholdings, submit a proxy vote for shareholders' meetings and notify a change of address. In addition to this, shareholders can complete dividend mandates online which facilitates the payment of dividends directly into a nominated bank account.

ShareGift

If you have a small shareholding which is uneconomical to sell, you may want to consider donating it to ShareGift, a share donation charity. Details of the scheme are available from:

ShareGift at www.sharegift.org
T: +44 (0) 20 7930 3737

Share price information

Information on the Company's share price is available at www.intertek.com.

Financial calendar

Financial year-end	31 December 2023
Full year results announced	5 March 2024
Annual General Meeting and Trading Update	24 May 2024
Ex-dividend date for final dividend	30 May 2024
Record date for final dividend	31 May 2024
Final dividend payable	21 June 2024
Half-year results announced	2 August 2024
Ex-dividend date for interim dividend	12 September 2024
Record date for interim dividend	13 September 2024
Interim dividend payable	8 October 2024
Trading Update	26 November 2024

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E: investors@intertek.com
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Registrars

EQ

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Notes





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The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.

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