

intertek

strategic report

Intertek has a proven track record of delivering sustainable growth and value for all stakeholders which is testament to the strengths of our 5x5 differentiated strategy for growth.

Book one



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

Book one – Strategic Report

Book two – Sustainability Report




Book three – Financial Report

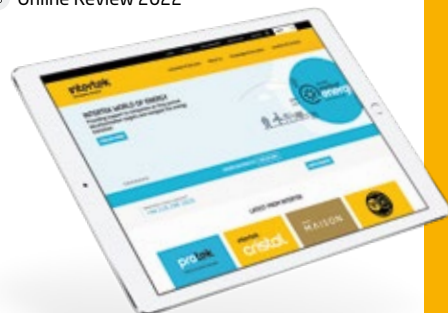
These separate, but connected books, with their interconnected themes and narratives, allow us to present what we achieved in 2022 in a systemic, end-to-end architecture.

They have been designed to make it easier for our stakeholders to fully understand our business, how we bring quality and safety to life, what we offer our clients and society, and the opportunities we have ahead of us.

The three books, which allow us to present our work in 2022 to you through the three important lenses of growth opportunities, sustainability goals and financial performance, should be read together to form our Annual Report & Accounts 2022.

Look out for these throughout the report:

-  Reference to another page in the report or to an external web page
-  Intertek Sustainability Disclosure Index
-  Online Review 2022



Visit our website for more information

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

this report

strategic report

Where we discuss our growth opportunities and strategic performance.

- 5 Chief Executive Officer's letter
- 10 Our 5x5 strategy
- 14 Our business model
 - 15 Who we are
 - 16 What we do
 - 18 Our sectors
 - 19 How we do it
 - 21 The value we create
- 24 Key performance indicators
- 28 Financial review
- 34 Operating review
 - 34 Products
 - 38 Trade
 - 40 Resources
- 43 Principal risks and uncertainties
- 49 TCFD statement
- 58 Section 172 statement
- 64 Group non-financial information statement

Book one

sustainability report

Where we discuss our environmental, social and governance progress.

- 1 Chief Executive Officer's Sustainability letter
- 5 Our Sustainability Approach
- 10 Sustainability performance
- 33 Responsible Business Practices
- 36 Directors' Report
 - 38 Chairman's introduction
 - 40 Board of Directors
 - 43 Direct reports to the CEO
 - 44 Board Leadership and Company Purpose
 - 63 Division of Responsibilities
 - 65 Composition, Succession and Evaluation
 - 67 Nomination Committee report
 - 71 Audit Committee report
 - 78 Remuneration Committee report
- 104 Other statutory information
- 108 Statement of Directors' responsibilities

Book two

financial report

Where we record our financial activities, performance and position.

- 1 Consolidated income statement
- 2 Consolidated statement of comprehensive income
- 3 Consolidated statement of financial position
- 4 Consolidated statement of changes in equity
- 6 Consolidated statement of cash flows
- 7 Notes to the financial statements
- 49 Intertek Group plc – Company balance sheet
- 50 Intertek Group plc – Company statement of changes in equity
- 51 Notes to the Company financial statements
- 54 Independent Auditors' Report
- 61 Glossary – Alternative performance measures
- 64 Shareholders and corporate information

Book three

science-based customer excellence is our differentiator.

it enables us to be at the forefront of the world's most critical and exciting industries, doing amazing things to help businesses everywhere become ever better.

It's the science behind what we do that drives the customer excellence advantage. The intelligence and expertise of our network of Total Quality Assurance Experts, combined with a drive for continuous improvement, and data-driven innovation, gives our customers the solutions they need to power ahead with confidence.

As proven industry experts, it's not just what we do that makes us unique, it's how we do it. We are a force for good bringing quality, safety and sustainability to life in more than 100 countries, creating value for all our stakeholders now and into the future.



see how
we're making
the world
ever better



making the world ever better by

advancing artificial sight

Medical device companies face multiple challenges as they work to get safe and effective products to market. From contamination and stability issues to failure resolution and quality control. Our medical device testing experts help resolve these issues through scientific solutions based on more than 30 years of experience in materials science and mechanical and chemical testing.

Our commitment to Science-based Customer Excellence accelerates our customers' product development and enables smoother regulatory submissions and approvals. We support customers through the entire product lifecycle - from clinical research, product development and regulatory submission, through to production. It's an approach that's tangibly making the world a better and a safer place.

Ensuring the safety of an innovative visual implant

The recent Visual Prosthesis initiative we supported in the US is the culmination of decades of research dedicated to providing artificial sight to blind people.

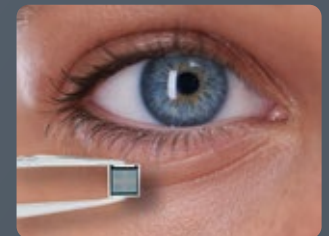
Our Medical Device team in Massachusetts was engaged to carry out the regulatory testing needed to demonstrate the device's safety, so we conducted a design review of the implant and applicator and undertook EMC safety testing to the IEC 60601-1 standard. The prosthesis was approved by the U.S. Food and Drug Administration and surgically implanted in the first participant, as clinical trials commenced.

Following the trials, and after further evaluation and regulatory approval - which will also be

supported by Intertek - our customer will design and test a new unit for use at home by trial subjects.

An engagement of this length and depth is a regular scenario for us, as many breakthrough medical products go through various stages of development before they get to market. In some cases, we work with clients for many years before final regulatory approval.

Our customer was extremely grateful for our support, acknowledging that we enabled them to get to an incredibly exciting and important point, not just for the field of biomedical engineering but also for people with blindness around the world.



you'll be
amazed where
you find intertek



Find out more about
our medical device
testing expertise

fuelling innovation in aviation

Intertek Caleb Brett is a global leader in testing and inspecting petroleum, chemical and biofuel cargoes. Across nearly 400 sites worldwide, we deliver 24/7 independent quantity and quality inspection and laboratory testing services.

Our expertise in scientific and analytical assessment supports the entire supply chain for biodiesel, ethanol, biomass and other biofuels, providing quality and safety solutions to a wide range of industries. Drawing on our bedrock of Science-based Customer Excellence, our inspectors and chemists deliver data-driven insight, innovation and continuous improvement

to refiners, producers and blenders, distributors, consumers and research institutes.

Ground-breaking sustainable jet fuel

For more than a decade, we have been helping SkyNRG develop a robust Total Quality Assurance programme to provide their customers with sustainable jet fuel that's just as reliable and safe as traditional petroleum Jet A1 fuel.

In the aviation industry, building confidence and assuring the highest possible safety and quality is essential for a new commodity like sustainable jet fuel. We were delighted to play such an

important role in the quality control of the fuel used in the first sustainable (bio) jet fuel flights.

Following recent amendments to the ASTM D-7566 specification for describing aviation turbine fuels and ensuring the quality of synthetic blending components, regular flights using sustainable jet fuel are now possible. The testing and inspection services we deliver across the world now include testing the 100% pure sustainable (bio) jet fuel component, along with the final 50% blend with petroleum jet fuel used for commercial flights.



**you'll be
amazed where
you find intertek**



Find out more about
our fuel quality and
inspection services

using our scientific expertise to protect

biodiversity

Intertek is an industry leader in the Assurance, Testing, Inspection and Certification sector for agriculture, propelled by our unmatched dedication to Science-based Customer Excellence to help shape an ever better world. Intertek AgriWorld offers clients a broad selection of services in environmental analysis and monitoring, from waste water, agricultural water, soils, noise, air quality, through to emissions into the atmosphere, as well as food and water for human consumption.

Protecting Peru's aquaculture and marine macroalgae

It's because our clients trust us to ensure quality, safety and sustainability across their entire value chain that, for the third time since 2016, Intertek Peru has been awarded the Programme for Surveillance and Control of Fishing and Aquaculture Activities at National Scope.

This involves working with Peru's Ministry of Production and National Fisheries on surveillance and control related to aquaculture activities, as well as supervising the extraction, collection, transport and processing of marine macroalgae.

These are very important hydro-biological resources with high ecological, economic and social value, acting as a habitat and refuge for many marine species as well as absorbing CO₂ and producing oxygen. For this reason, Peruvian legislation allows only the collection of naturally stranded macroalgae to avoid over-exploitation.

There are more than 200 varieties of species of macroalgae in Peru, used for purposes such as protein food, and as gelling, thickening and stabilising compounds for the pharmaceutical, wine and textile industries.

Collection, under Intertek's supervision, represents a vital economic activity, especially in the southern part of Peru where large areas of macroalgae directly generate employment.

We are proud to operate a surveillance programme that protects biodiversity by eliminating illegal fishing as well as the illegal extraction of macroalgae. It's delivering support to the environment and protecting the ecosystem of macroalgae, both in Peru and across the world.



you'll be
amazed where
you find intertek



Find out more
about our
Agri Services

Chief Executive Officer's letter

The Science-based Customer Excellence Advantage



André Lacroix

André Lacroix
Chief Executive Officer



Chief Executive Officer's letter Continued

Intertek at its core is a network of science-based, highly technically skilled individuals and teams who are dedicated to helping businesses become ever better."

The Science-based Customer Excellence Advantage

At Intertek we work together to make the world a better and safer place for everybody, delivering on our vision of being the world's most trusted partner for Quality Assurance.

What our people do every day is amazing, delivering on our purpose of bringing quality, safety and sustainability to life, not just for our 400,000+ clients in more than 100 countries worldwide, but also for their many millions of customers and stakeholders.

During the year, we continued to innovate and provide customers with the mission-critical solutions they need through our unique Assurance, Testing, Inspection and Certification ('ATIC') service offering.

As a world leading Total Quality Assurance ('TQA') provider, we enable global and local businesses to overcome the complex quality, safety and sustainability challenges they face to give them the peace of mind they need to focus on their growth agenda.

Our superior customer service is based on our 'Science-based Customer Excellence' approach that we have built up over many years, based on three essential components:

- **The first is about our science-based technical expertise.** It's our industry-leading processes and technology that ultimately enable us to build the world's best intellectual property ('IP') for delivering superior customer-focused TQA solutions.
- **The second is about science-based continuous improvement.** Our commitment to the principles of science-based continuous improvement means we always go back to the data. We do this to ensure the solutions we offer are invariably based on the best possible research, knowledge and understanding.

- **The third is about science-based innovation.**

We continuously apply superior data-driven insights when creating and delivering end-to-end solutions for our clients. As a result, we can draw on our strong data-science advantage that ensures we deliver the best and most effective insights into how and where to improve their businesses.

Our Science-based Customer Excellence approach is enabling us to build long-lasting and ever-closer relationships with our clients. This gives our clients the ATIC advantage that empowers them to make their businesses ever stronger, ever more resilient and ever more sustainable.

Ultimately, this is what continues to make us a quality leader in the highly attractive \$250-billion global Quality Assurance market.

Results in 2022

I would like to recognise all my colleagues for their commitment, passion and agility as 2022 marks another year of consistent value delivery with revenue and earnings in-line with expectations, demonstrating the strengths of our differentiated TQA value proposition, our Science-based Customer Excellence giving our clients the ATIC advantage, our unique end-to-end performance management approach and our high-quality growth earnings model.

We have a group of excellent businesses globally which performed well across 2022. In China, however, the Covid-related lock-down restrictions and consequent revenue headwinds faced in March-June did have an impact on our performance, as did the high level of Covid-related sickness we experienced in November-December, all of which have also impacted Group margins.

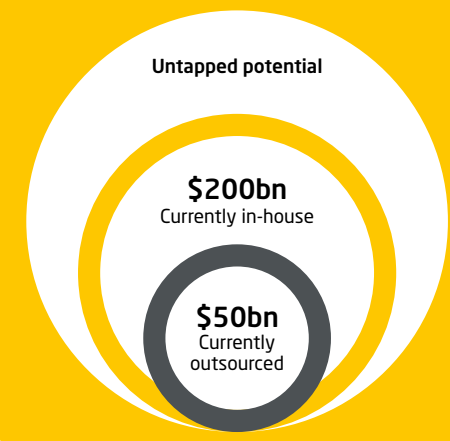
We have delivered a robust performance in 2022 with:

- Group revenue up 8% at constant rates and nearly 15% at actual rates
- LFL revenue growth of 4.9% at constant rates
- Adjusted operating profit up 4% at constant rates and nearly 10% at actual rates
- Robust adjusted operating margin of 16.3%
- Adjusted diluted EPS growth of 4.6% at constant rates and 10.6% at actual rates
- Statutory operating profit after SDI up 4.4% at actual rates
- Progress on ROIC at constant rates
- Unchanged full year dividend at 105.8p

Global ATIC market

Our unique offering means we are well-placed to take advantage of the huge growth opportunities in the global ATIC market.

\$250bn
Global ATIC market



Chief Executive Officer's letter Continued

Post Covid-19, the Quality Assurance market will grow faster as the demand for Quality Assurance solutions is expanding across all our business lines given the increasing stakeholder expectations in quality, safety and sustainability. Moving forward, we expect the attractive structural growth drivers in our industry to be augmented by an expansion in ATIC customers, a stronger focus by corporations on safer supply chains, greater corporate investments in innovation, a step change in sustainability management and reporting with independently verified disclosures, and significant growth opportunities in the World of Energy.

We are entering 2023 with confidence given the re-opening of China, which has been operating with normal staffing levels since the beginning of the year, the increased demand for our ATIC solutions, the strengths of our portfolio, our strong pricing power, our productivity and cost initiatives, as well as our cash flow discipline. We expect the Group will deliver mid-single digit LFL revenue growth at constant currency, with margin progression year-on-year, and a strong free cash flow performance.

We operate a differentiated, high-quality growth business with excellent fundamentals and intrinsic defensive characteristics, giving our customers the Intertek Science-based Total Quality Assurance advantage to strengthen their businesses. Our leading ATIC solutions are mission-critical for the world to operate safely and the growth in our end-markets is accelerating. We operate a high-performance earnings and cash compounder model which has generated 8% annual Total Shareholder Returns since 2012. We are well-positioned to deliver sustainable growth and value for all stakeholders in the short, medium and long term.

Financial highlights

- Revenue of £3,193m; +8.2% at constant rates; +14.6% at actual rates
- LFL revenue growth of 4.9% at constant rates: Products +3.9%; Trade +5.6%; Resources +7.9%
- Outside China LFL revenue grew 6.5% at constant rates: Products 5.5%, Trade 7%, Resources 8.5%
- Recent acquisitions JLA, SAI and CEA performing well, contributing £153.0m of margin accretive revenue in 2022
- Adjusted operating profit of £520m, up 3.8% at constant rates and up 9.7% at actual rates
- Robust adjusted operating margin of 16.3%, 70 bps lower at constant and actual rates; H2 margin of 17.8%
- Adjusted diluted EPS of 211.1p: up 4.6% at constant rates and up 10.6% at actual rates
- Adjusted free cash flow of £386m and a strong balance sheet with 1.1x net debt to EBITDA
- ROIC of 18.0%, up year-on-year by 20bps at constant rates and down 20bps at actual rates
- Sustainable returns to shareholders with full year dividend of 105.8p and dividend cover back to 2.0
- Cost reduction programme (£27m in SDIs) to streamline operations and deliver annual savings of £15m
- 2023 outlook: Mid-single digit LFL revenue growth, margin progression and strong free cash flow

£3,193m

Revenue
(2021: £2,786m)

£386m

Adjusted free cash flow^{1,2}
(2021: £402m)

£452m

Statutory operating profit
(2021: £433m)

16.3%

Adjusted operating margin^{1,2}
(2021: 17.0%)

105.8p

Dividend per share³
(2021: 105.8p)

178.4p

Statutory diluted EPS
(2021: 177.9p)

£3,067m

Like-for-like revenue¹
(2021: £2,761m)

£520m

Adjusted operating profit^{1,2}
(2021: £474m)

18.0%

Return on Invested Capital¹
(2021: 18.2%)

14.2%

Statutory operating margin
(2021: 15.5%)

211.1p

Adjusted diluted EPS^{1,2}
(2021: 190.8p)

1. Definitions of the alternative performance measures, metrics and constant rates can be found in Book three, page 61.
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 return on invested capital and cash conversion, are shown in the Financial review.
3. Dividend per share for 2022 is based on the interim dividend paid of 34.2p (2021: 34.2p) plus the proposed final dividend of 71.6p (2021: 71.6p).

Chief Executive Officer's letter Continued

Strategic highlights

We are purpose-led and passionate about making the world a better place, bringing quality, safety and sustainability to life.

We provide a superior customer service with our ATIC solutions, and Science-based Customer Excellence is our competitive advantage.

Stakeholders' expectations in a post Covid-19 world in terms of quality, safety and sustainability are higher, making the case for our risk-based Quality Assurance solutions stronger.

Our approach to value creation is based on the compounding effect of margin-accretive revenue growth, strong cash generation and disciplined investment in growth. This has delivered an 8% annual to Total Shareholder Return since 2012.

We are well positioned to continue to deliver sustainable growth and value for all our stakeholders.

Sustainability highlights

Continuous progress on Health and Safety with a reduction of 7bps in our Total Recordable Incident Rate vs 2021.

Since 2015, we have used the Net Promoter Score ('NPS') process to listen to our customers and conduct on average 5,400 interviews each month which has enabled us to improve our customer service over the years consistently.

We are driving environmental performance across our operations through new science-based reduction targets to 2030 as well as site-by-site action plans. Our rigorous monthly performance management of our net zero plans against emission reduction targets has delivered total CO₂e emissions (market-based) reductions of 7.8% vs 2021.

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 2022 score was 80%.

Our voluntary permanent employee turnover was at a low rate of 14%.

“We operate a differentiated, high-quality growth business with excellent fundamentals and intrinsic defensive characteristics, giving our customers the Intertek Science-based Total Quality Assurance advantage to strengthen their businesses.”

Exciting growth opportunities ahead

The Quality Assurance market is growing faster post Covid-19 as the demand for Quality Assurance solutions is expanding across all our business lines given the growing stakeholder expectations in quality, safety and sustainability. This is making the case for our unique risk-based Quality Assurance solutions stronger.

Moving forward, we expect the attractive structural growth drivers in our industry to be augmented by an increase in ATIC customers, a stronger focus by corporations on safer supply chains, greater corporate investments in innovation, a step change in sustainability management and reporting with independently verified disclosures, and exciting growth opportunities in the World of Energy.

[Read more in our Sustainability Report, Book two](#)

Chief Executive Officer's letter Continued

World of Energy
Powering the future

Our World of Energy business brings together more than 135 years of energy industry expertise, proactive innovations and broad-based specialist services.

Energy companies are facing enormous challenges as the world transitions to a sustainable future. These challenges are compounded by the need to ensure operational efficiency, maximise quality, minimise risks and costs and improve safety. More than ever, companies are seeking experts to help them proactively prepare for and overcome challenges, seize opportunities, maintain budgets and project timelines. Intertek World of Energy supports these companies as they pursue decarbonisation targets and advance to energy transition.

With energy in our DNA, Intertek is an unwavering partner to the energy industry – from traditional sectors such as oil & gas, petrochemical, LNG and fossil-fuels to wind, solar, hydro, energy storage, synfuels, biofuels, carbon capture and hydrogen. That's why we are a trusted energy partner – with the vision, experience, scientific know-how, tools and processes to deliver peace of mind through adaptive and systemic end-to-end Total Quality Assurance solutions.

Our extensive network of energy industry experts consistently delivers the broad portfolio of proactive and unique solutions our clients need to help them navigate the shift to sustainable power and join the energy revolution.

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

Sustainability at the heart
of everything we do

Sustainability is the movement of our time and is central to everything we do at Intertek, anchored in our strategy, our Purpose, our Vision and our Values.

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 TSA programme, we provide our clients with proven independent, systemic and end-to-end assurance on all aspects of their sustainability strategies, activities and operations.

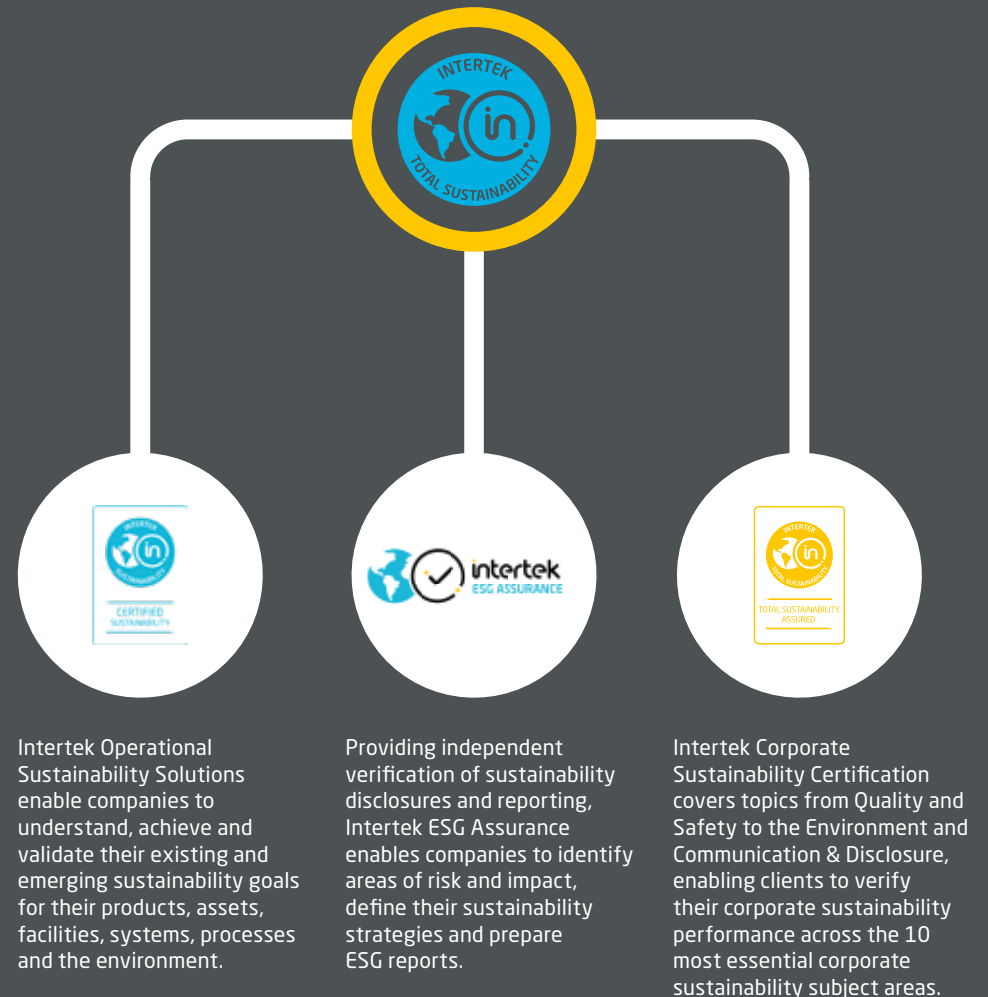
The TSA programme comprises three elements:

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



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 17-23)



Chief Executive Officer's letter Continued

Sustainability Excellence at Intertek

For ourselves at Intertek, we focus on our 10 highly demanding TSA sustainability standards which are truly end-to-end and systemic. You can see our sustainability highlights regarding our progress on Health and Safety, environmental performance, customer and employee engagement and turnover on page 8, and read in detail about our sustainability results in our 2022 Sustainability Report, Book two.

Read more in our Sustainability Report

Sustainability credentials



Intertek has been included in the FTSE4Good Index for the sixth year running.



In 2022, Intertek received a rating of 'AAA' in the MSCI ESG Ratings assessment.



Intertek is an accredited Living Wage Employer in the UK.

2050

Continuous focus on reducing our direct GHG emissions and targeting net zero emissions by 2050.



Proud member of the Valuable 500.

Our 5x5 strategy

Implementing our 5x5 differentiated strategy for growth

Intertek has a proven track record of delivering sustainable value creation for all stakeholders which is testament to the strength of our 5x5 differentiated strategy for growth and our commitment to the Kaizen principles of continuous improvement.

Our goals

Our 5x5 differentiated strategy is designed to help us achieve five goals:

- 1 Fully engaged employees working in a safe environment;
- 2 Superior customer services across all our Assurance, Testing, Inspection and Certification solutions;
- 3 Margin-accretive revenue growth based on GDP+ organic growth;
- 4 Strong cash conversion from our operations; and
- 5 An accretive, disciplined capital-allocation policy.

Our strategic priorities

Our strategic priorities – through which we will sustain and further extend our global leadership position – are:



Differentiated brand proposition
positioning us as leader of the global TQA market



Superior customer service
making us the most trusted and respected TQA partner



Effective sales strategy
continuously improving our margin-accretive revenue growth



Growth and margin-accretive portfolio
prioritising investments with high-growth and high-margin prospects



Operational excellence
our 'Ever Better' approach continuously improves efficiency and productivity

Our strategic enablers

The fact that we have consistently and demonstrably delivered against all these priorities reflects the power of our five strategic enablers:



Living our customer-centric culture



Disciplined performance management



Superior technology



Energising our people



Delivering sustainable results

Chief Executive Officer's letter Continued

Investing in growth with customer-led innovation

True to our pioneering spirit, throughout the year, we continued to innovate to meet the emerging needs of our customers.

We are constantly learning from our customers, using their extensive feedback to help us deliver ever better solutions to their evolving requirements.

We believe that successful innovation starts with investing in the insight advantage, which means having a deep understanding of what our customers need and want. Through our NPS programme, we carry out 5,400 customer interviews every month. With the ability to access world-class customer intelligence site-by-site from anywhere across our global network, we have a continuous stream of data that enables us to build on our insights and use this to develop new ATIC solutions.

In September, for example, we launched a new certification mark that aims to give consumers transparency regarding the claims made by the manufacturers and marketers of vegan foods. This is a timely introduction given the exponential global growth in the number of consumers who are exploring a plant-based diet as part of a healthier lifestyle with a reduced environmental impact.

Further examples of sustainability-related innovation include the launch of Intertek EcoCheck, a tourism solution that audits management systems and provides a carbon footprint calculation. This enables our clients to demonstrate tangible action to reach their carbon targets.

ToxClear, meanwhile, supports the development of more sustainable supply chains in the fashion industry by enabling brands and suppliers to achieve transparency and traceability on the chemicals used in manufacturing.

Another innovative new launch is designed to help retailers and brands of soft goods, hard goods and personal protective equipment to understand and comply with the different regulations in force in different markets across the world. This is Global Market Access, a one-stop digital knowledge portal, developed with the aim of increasing compliance for improved consumer safety and protecting corporate reputations in today's interconnected world.

Among many other initiatives and highlights, we also celebrated the first anniversary of our innovative Minerals Global Centre of Excellence in Perth, Australia. This pioneering facility aims to help mining and exploration companies produce the future-focused commodities that are becoming increasingly essential in enabling a more sustainable world.

One of the world's largest and most advanced minerals laboratories, the Centre's achievements to date are already impressive. These include processing more than 3 million samples, including 1 million PhotonAssay™ samples to facilitate the faster and more environmentally friendly analysis of gold. This work alone has eliminated 625 tonnes of hazardous lead waste and reduced CO₂ emissions by 460 tonnes. I applaud the team at the site for its work on helping customers achieve greater innovation, efficiency, sustainability and safety.

Other enhancements to existing solutions included the creation of new and improved features for our InLight solution, which enables organisations to manage increasingly complex risks in the supply chain.

5,400

customer interviews every month through our NPS programme

460

tonnes of CO₂ eliminated from our analysis of gold

intertek
global market
access

intertek
toxclear



intertek
inlight



Read more about our Minerals Global Centre of Excellence on page 20

Chief Executive Officer's letter Continued

Seizing new ATIC growth opportunities through strategic acquisitions

We are also targeting inorganic investments with attractive M&A opportunities that strengthen our ATIC portfolio in high-margin, high-growth areas.

Our acquisition of Clean Energy Associates ('CEA'), a market-leading provider of Quality Assurance ('QA'), supply-chain traceability and technical services to the fast-growing solar energy sector, illustrates this clearly. The long-term, structural trend towards decarbonisation, energy sustainability and security means the solar energy sector is on track to be the world's largest source of renewable energy-generation by 2030. The CEA acquisition empowers the expansion of our sustainability service offering in the fast-growing QA market for the sector.

Two of our previous acquisitions – of SAI Global Assurance and JLA Brasil Laboratório de Alimentos S.A. – have also both proven during the year to be excellent examples of complementary businesses.

Collectively, these three businesses, all recently integrated into the Group, delivered £153.0m of margin accretive revenue during the financial year.

In action

Supporting the drive for clean energy through new acquisitions

Clean Energy Associates ('CEA') is a market-leading provider of Quality Assurance, supply chain traceability and technical services to the fast-growing solar energy and energy storage sectors.

As the energy transition accelerates and companies re-invent the way they manage their sustainability agendas, the growth opportunities within the World of Energy are multiplying. With solar power expected to become the largest source of renewable energy globally, our acquisition of CEA presents a compelling strategic fit and an opportunity to expand Intertek's service offering within the World of Energy. CEA will also benefit from Intertek's global network and customer base, enabling us to bring our Total Quality Assurance solutions for solar photovoltaic ('PV') and energy storage products and installations into new geographies.

Headquartered in the US, CEA serves as a trusted partner to some of the world's leading solar project developers, owners and financiers, providing a range of services across the value chain.

These services include in-line production monitoring and Quality Assurance, supply chain management and traceability, as well as technical support to solar PV and energy storage projects.

Combined with Intertek's comprehensive existing solar energy service offerings in product testing and certification and in-field inspections, this acquisition creates a truly end-to-end service offering to support customers on their decarbonisation and energy sustainability journeys.

For more information visit: cea3.com



People at the heart of our purpose-led culture

Across the organisation, our people are excited about the opportunity we have to deliver on our core purpose of bringing quality, safety and sustainability to life. This attitude and 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, and this powers our operational excellence and continuous improvement. Our commitment to excellence involves the constant measurement of our progress against a range of operational metrics, using data intelligence to continuously 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, underpinning our operational and Health and Safety excellence to ensure that our customers always receive a superior service.

Ultimately, of course, our ability to do this comes down to the energy and commitment of our 43,500 people across the world. These science-based individuals and teams, all highly technically skilled, constantly strive to go beyond what our clients expect of them.

I believe that our performance over the last three years of extreme disruption underlines the importance of our people's unwavering commitment to giving our clients the peace of mind they seek, in turn giving us the right to call Intertek 'an amazing force for good' in the world.

Chief Executive Officer's letter Continued

Science-based Customer Excellence for an ever better world

We are a high-quality growth business delivering value for all stakeholders, with excellent fundamentals in customer service, ATIC demand, margin management, capital allocation discipline, and operating culture.

We are well positioned to continue to deliver sustainable growth and value for all our stakeholders.

Intertek's approach to value creation is based on the compounding effect, year after year, of margin-accretive revenue growth, strong cash generation and disciplined investment in growth. This approach has delivered an 8% annual Total Shareholder Return since 2012.

We provide a superior customer service with our ATIC solutions, and Science-based Customer Excellence – in terms of technical expertise, continuous improvement and innovation – is our competitive advantage. We measure our customer service with circa 5,400 interviews a month and work continuously at becoming ever better with both process improvements and industry-leading innovations. That's why we operate with a very high customer retention.

From an ATIC demand standpoint, stakeholders' expectations in a post Covid-19 world in terms of quality, safety and sustainability are higher, making the case for our risk-based Quality Assurance solutions stronger. That's why we expect the higher demand for our ATIC solutions to drive a higher organic growth post Covid-19.

High quality earnings model

Our high-margin, 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 Products, Trade and Resources 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.



Margin-accretive revenue growth is central to the way we deliver value. It starts with our portfolio that targets organic and inorganic investments in attractive growth and margin sectors. We have established over the years a continuous improvement performance approach at every layer of the organisation to control costs and drive productivity improvement. That's why we expect margin progress moving forward.

Our strong focus on cash management has stepped up our free cash flow performance over the years enabling us to invest in growth, reward our shareholders with a progressive dividend policy targeting a 50% pay-out and operate with a strong balance sheet giving us the firepower to invest in M&A. This is what we mean by disciplined capital allocation.

At Intertek, we are purpose-led and we are all passionate about making the world a better place, bringing quality, safety and sustainability to life. We are a growth-oriented Company attracting, developing and retaining the best talents in the industry.

We operate a differentiated, high-energy, people-centric culture focussed on delivering sustainable value for all stakeholders: Science-based Customer Excellence for an ever better world.

André Lacroix
Chief Executive Officer

Our business model

how we apply our
**skills, scientific
knowledge,
resources and
relationships**
to create value

1. Who we are

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.

[More on page 15](#)

2. What we do

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

[More on page 16](#)

3. Our sectors

We concentrate our capabilities into three attractive growth and high-margin sectors: Products, Trade and Resources.

[More on page 18](#)

4. How we do it

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

[More on page 19](#)

5. The value we create

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.

[More on page 21](#)

Our business model Continued

1 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 ('TQA') – 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 Excellence approach to provide superior services, enabling our 400,000+ clients to become ever better too.

Our people, culture and values

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 inspirational and help us to drive sustainable growth for all. They guide our behaviours every single day, underpinning the way we work, guiding decision making and connecting colleagues across the world.

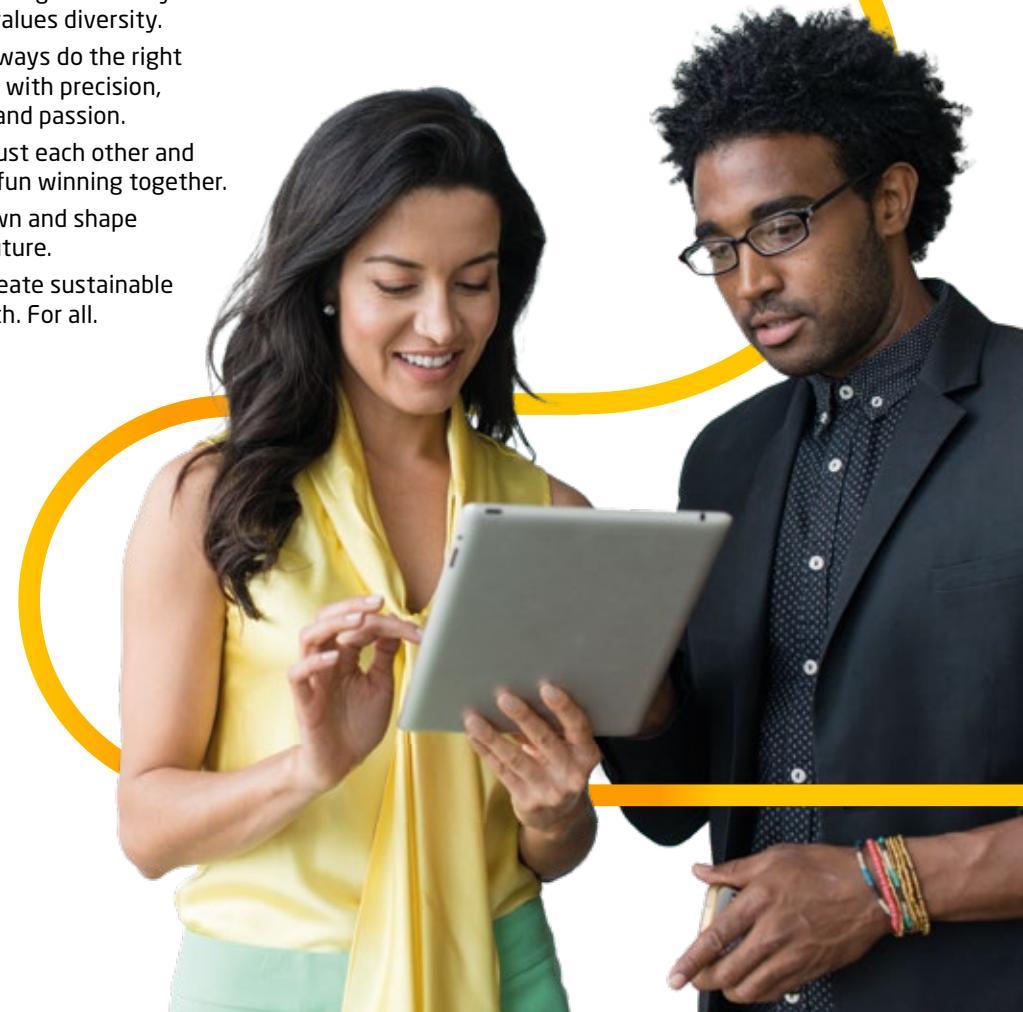
Sustainability is central to everything we do and we demonstrate our commitment and passion to help our clients make a difference, as well as bettering ourselves every day.

More in Book two, page 10.



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.



Our business model Continued

2 What we do

We bring our clients the benefits of our unique risk-based solution: Total Quality Assurance

For more than 130 years, Intertek has been 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: an industry leader in quality, safety and sustainability.

The work we do today covers everything from testing toys to inspecting power stations, from certifying vaccines to providing end-to-end Quality Assurance across every aspect of an organisation's operations and supply chain. Our innovation-led, end-to-end Total Quality Assurance ('TQA') value proposition supports our clients 24/7, providing a fully integrated portfolio of Assurance, Testing, Inspection and Certification ('ATIC') services 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 TQA because it enables our clients to mitigate risk at every stage of their operations.

Our ATIC services



Assurance

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 provide insight into every aspect of a company's operations, enabling informed business decisions. Our training services ensure workforce competencies are current and relevant. Our experts around the globe bring their knowledge to clients on assessing overall performance, the quality and productivity of laboratories, identifying and mitigating risks, streamlining manufacturing processes and supply chains, and so much more.

intertek.com/assurance/



Testing

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 field and in-house laboratory testing services provide the data our clients need to optimise the production process and get products to market quickly and economically.

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

intertek.com/testing/



Inspection

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 both customer standards and industry and government regulations. This serves to protect business interests, help manage risk and ensure quality products are manufactured and delivered to their final destination at 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 life management of facilities such as power plants and oil refineries.

intertek.com/inspection/



Certification

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

Intertek maintains extensive global accreditations and is 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 companies 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 position creates efficient, cost-effective solutions that meet best industry practices.

intertek.com/certification/

Our business model Continued

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 strive to exceed customer expectations with end-to-end quality, safety and sustainability solutions. This sets us apart. Our clients can rely on the consistent quality and accuracy of our work and the speed of our response, as we deliver rapid and accurate feedback.

Customer Promise

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

Our TQA value proposition

Intertek's innovation-led, end-to-end Total Quality Assurance ('TQA') proposition helps organisations operate safely, effectively and with complete peace of mind in an increasingly complex world.



Our business model Continued

3 Our sectors

By focusing on the three sectors of Products, Trade and Resources, we concentrate the full power of our science-based expertise and data-driven innovation capabilities into these attractive growth and high-margin sectors.



Products

Ensuring the quality and safety of physical components and products, and risk assessment of operating processes and quality management systems.

More on page 34



£2,024m

Revenue
(63% of Group) 15.3% at actual rates, 8.5% at constant rates

£427m

Adjusted Operating Profit
(82% of Group)

Structural growth drivers

- Growth in brands, SKUs and e-commerce
- Faster innovation cycle
- Higher demand for healthy and sustainably sourced products
- Increased focus on safety, performance and quality
- Increased demand for smart products
- Emerging markets growing middle class



Trade

Protecting the value and quality of products during custody-transfer, storage and transportation via analytical assessment, inspection and technical services.

More on page 38



£636m

Revenue
(20% of Group) 10.5% at actual rates, 5.6% at constant rates

£58m

Adjusted Operating Profit
(11% of Group)

Structural growth drivers

- Population growth and social mobility
- GDP growth
- Development of regional trade
- Improvements in transport infrastructure
- Increased need for end-to-end traceability
- Increased focus on Operational Sustainability



Resources

Optimising the use of assets in oil, gas, nuclear and power industries and minimising risk in their supply chains through technical inspection, asset integrity management, analytical testing and ongoing training services.

More on page 40



£533m

Revenue
(17% of Group) 17.0% at actual rates, 10.3% at constant rates

£35m

Adjusted Operating Profit
(7% of Group)

Structural growth drivers

- Population growth and social mobility
- Investment in exploration and production, storage and transportation
- Total Energy with diversified portfolio
- Accelerated transition to renewable energies
- Increased focus on Operational Sustainability
- Digital supply chain management

Our business model Continued

4 How we do it

As the world of our customers changes, it is becoming more complex and interconnected with increased risks to quality, safety and sustainability. We help them mitigate risk and grow, building trusted relationships, listening to their needs to develop insight and use our data-science advantage to create innovative TQA solutions.

But it's not just what we do that makes us unique, it's how we do it. Our expertise is guided by science and delivered with an unwavering commitment to our customers. Regular customer engagement is an essential factor. Around the world, every month we carry out 5,400 customer interviews through our Net Promoter Score ('NPS') programme, which measures the percentage of customers likely to recommend our services. This is a valuable tool in helping us to understand our customers and deliver superior service at every Intertek site.

With 43,500 employees in our global network, based in more than 100 countries, we keep close to our customers and understand their challenges.

Our global network



1,000+
Laboratories and offices

3,000
Auditors

100,000+
Audits

43,500
Employees

100+
Countries

100+
Languages

Our business model Continued

Our science-based TQA Experts provide clients with innovative ATIC solutions in our industry-tailored Centres of Excellence. Examples include:

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.



intertek.com/minerals/centre-of-excellence/

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

Our EV Centre of Excellence testing facility 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.

intertek.com/automotive/electric-vehicle-centre-of-excellence/



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.



intertek.com/maison/

At Intertek we bring Science-based Customer Excellence to life every day, providing insightful, reliable solutions that meet the ever-evolving needs of our customers."

Our business model Continued

5 The value we create

Our purpose is to bring quality, safety and sustainability to life for an ever better world. Here, we explain how we do this for our stakeholders.



Customers

We deliver innovative and bespoke Assurance, Testing, Inspection and Certification solutions to our customers for their operations and supply chains.

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 crucial to us 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 2022

- Communication, partnership and 24/7 support
- Fast development of innovative risk-based solutions
- Physical and virtual delivery of TQA solutions and Intertek Academy training
- 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

Read more about Customers in Book two, pages 17-23



People

Our TQA Experts embody our culture, ensuring the quality, safety and sustainability of products and services used by millions around the world.

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 and caring culture with clear, transparent communication and regular recognition, in which each colleague has a personal growth plan.

How they have benefitted in 2022

- Consistent performance management approach, talent development and growth planning
- '10X Leadership' development events and '10X Coaching' for executives
- Training sessions on '10X Energies'
- Extensive learning and development material through new LUCIE website
- Engaging employee communication channels
- Deeper support via wellbeing resource 'Kindness'
- Global implementation of Fusion HR portal

Read more about our People in Book two, pages 10-16



Investors

Our investor stakeholders include all groups that have an interest in the success and sustainability of our global business.

Why they are important to us

Delivering for our investors drives our ongoing success, enabling us to deliver for all stakeholders in the long term.

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 2022

- Stock exchange announcements, including financial results
- Investor roadshows, participation in investor conferences
- Meetings and calls
- Annual General Meeting
- Annual Report, ESG Reporting Index
- Shareholder information on [intertek.com](https://www.intertek.com)
- Improved Investor section on [intertek.com](https://www.intertek.com)

Visit our investor website [intertek.com/investors](https://www.intertek.com/investors)

To understand how we engage with our stakeholders, and how the Board oversees that engagement, please see our Section 172(1) statement on page 58.

Our business model Continued



Communities

We are focused on achieving a positive impact within the communities where we operate, through our indirect economic impacts, supporting local causes and partnering with charities.

Why they are important to us

Our people come from the communities in which we work. It's part of our passion to want to improve our local environment – to be a force for good close to home.

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 2022

- 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

Read more about our Communities in Book two, pages 30-33



Government 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 and risk assurance. Interactions with governments, governmental authorities or regulators are reviewed by our Group Legal & Risk functions to ensure we comply fully with all laws and regulations.

How they have benefitted in 2022

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

Read more about Government and Regulators in Book two, page 34

Read more about our employees' perspective on our culture in Book two, page 46.



Our business model Continued

The UN SDGs

Long-term impacts

The primary contribution of any business comes through providing jobs, sustaining livelihoods, paying taxes and supporting social and economic development.

Beyond this, we can achieve positive and lasting change by considering our impacts, targeting our response and collaborating across sectors to scale positive contributions.

As a TQA provider, we are in a strong position to align with each of the United Nations Sustainable Development Goals ('UN SDGs') through the internal activities we carry out for our people, in our communities and for the environment, as well as through the sustainability services we provide to our customers.

In 2022, we have continued to look at how the UN SDG targets are associated with individual goals and how our activities can help achieve these targets. We continue to focus primarily on the six most relevant SDGs to the Group.

More on our activities can be found in Book two, pages 5-35



Good Health and Wellbeing

To ensure healthy lives and promote wellbeing for all at all ages, we have developed programmes that support the good health and wellbeing of the people within our business as well as deliver these programmes for our customers and communities.



Quality Education

We are supporting the goal to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, by building more relationships with educational institutions and providing opportunities for young people to engage with our engineers and scientists. We participate in programmes that ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people and children in vulnerable situations.



Gender Equality

Improving gender balance is a priority for us. We continue to focus on gender diversity by attracting, developing and retaining more talented women across the business. We have policies, procedures and initiatives in place to support gender diversity throughout Intertek.



Affordable and Clean Energy

Increasing our energy self-sufficiency improves profitability and energy security. We are assessing our operations for energy and process efficiencies and are investing in solar energy systems, where appropriate, to enable energy diversification. We are also working with clients to deliver their renewable energy products and services.



Decent Work and Economic Growth

Our daily operations provide direct, indirect and induced employment for over 43,500 people across 100 countries. We provide training and development opportunities in safe, secure working environments, graduate and apprentice opportunities, programmes for young people experiencing difficulties securing employment, offer equal opportunities to all and value diversity among our employees.



Climate Action

Climate change is one of the greatest threats facing society, but emissions continue to rise. Reducing our own Greenhouse Gas emissions is a priority for us, as well as working with our customers to ensure they are resilient to the impacts that a changing climate might bring.

Read more in our Environmental section in Book two, page 24.

In action

Intertek joins flexible packaging initiative to support the circular economy in Europe

We are delighted to join the CEFLEX community and help build the circular economy for plastics and flexible packaging in Europe.

Read more about this in Book two, page 18

In action

Reducing the skills gap and building employability among the young

Both technical and vocational education and on-the-job training suffered disruptions due to the pandemic. We are supporting skill development initiatives in India among the young.

Read more about this in Book two, page 15

In action

Intertek SAI Global Assurance supports innovative vertical farming business

Changing weather patterns brought on by climate change are putting added pressure on food production in many regions of the world. We are addressing these challenges through our support of innovative solutions and education.

Read more about this in Book two, page 23

Key performance indicators

Strong returns on invested capital

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

○ Definitions to the key performance indicators can be found in Book three, page 61



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 30. A glossary of performance measures is provided in Book three, page 61.

○ Non-financial KPIs are shown on pages 26 and 27

Key

- Adjusted actual rates
- 2022 Adjusted
- Adjusted constant rates
- 2021 Adjusted
- Statutory actual rates
- | Statutory

1. Revenue, adjusted operating profit and ROIC are recalculated using 2021 exchange rates to form the basis for Executive Director remuneration, as described in more detail in Book two, page 94.
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 30. There is no difference between adjusted and statutory revenue.
3. Dividend per share is based on the interim dividend of 34.2p (2021: 34.2p) plus the proposed final dividend of 71.6p (2021: 71.6p).
4. 2021 ROIC has been prepared using 2022 average exchange rates for adjusted operating profit and adjusted tax, and year-end 2022 exchange rates for invested capital. 2021 ROIC at actual rates was 18.2%.

Key performance indicators Continued

Revenue¹ (£m)

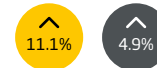
Revenue growth measures how well the Group is expanding its business and includes currency impacts.



2022	3,193
2021	2,786

Like-for-like revenue (£m)

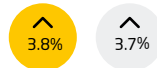
Revenue growth, including acquisitions following their 12-month anniversary of ownership and excluding the historical contribution of any business disposals/closures excluding acquisitions and disposals.



2022	3,067
2021	2,761

Cash flow from operations² (£m)

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



2022	704	722
2021	679	696

Operating profit^{1,2} (£m)

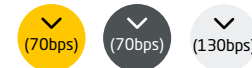
Measures profitability of the Group and includes currency impacts.



2022	452	520
2021	433	474

Operating margin^{1,2} (%)

Measures profitability as a proportion of revenue.



2022	14.2	16.3
2021	15.5	17.0

Return on invested capital at constant rates^{1,4} (%)

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



2022	18.0
2021	17.8

Diluted earnings per share² (pence)

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



2022	178.4	211.1
2021	177.9	190.8

Dividend per share³ (pence)

Measures returns provided to shareholders.



2022	105.8
2021	105.8

Adjusted free cash flow² (£m)

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



2022	386.3
2021	401.8

Key performance indicators Continued

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:

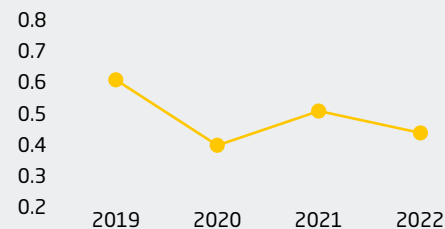
Health and safety

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.

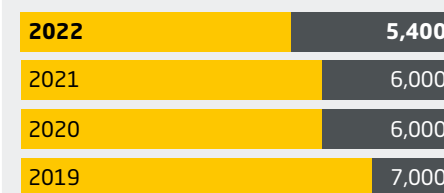
Customer satisfaction

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.

Environment

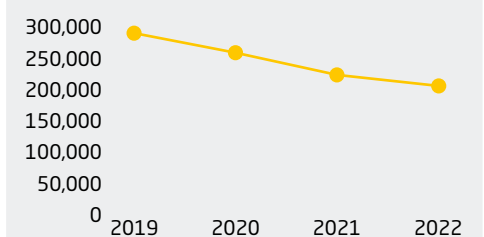
Operational emissions
With the adoption of our new near-term absolute emissions reduction targets, we now measure our environmental performance against this. Operational emissions comprise our Scope 1, Scope 2 and Scope 3 (Business Travel and Employee Commuting).

[Read more about our Environmental performance in the Sustainability Report in Book two, pages 24 to 29.](#)

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 marked-based Scope 2 emissions.

Operational emissions (in tCO₂e)



Target

2030: Reduce absolute Scope 1, Scope 2 and Scope 3 (Business Travel and Employee Commuting) by 50% vs 2019 base line.

Key performance indicators Continued

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 Group Engagement index

Key financials	2019	2020	2021	2022
Employee voluntary turnover (% of permanent employees)	14%	9%	13%	14%
Group Engagement index score		89	80	80

Target

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

Diversity and Inclusion

Gender balance

Percentage of women in senior management roles (Leadership Team¹ and their direct reports).

[Read more about gender balance in our Sustainability Report in Book two, page 13.](#)

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

2022	79.2	20.8
2021	77.0	23.0
2020	76.7	23.3
2019	79.3	20.7

● Male ● Female

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 employees² (online or face to face, when available) during the training window.

[Read more about compliance training in our Sustainability Report in Book two, page 34.](#)

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, all of our people are required to complete our comprehensive training course.

Training completion by eligible employees

2022	97
2021	94
2020	96
2019	94

Target

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

- As defined by the FTSE Women Leaders Review to allow year-on-year comparison. This comprises the CEO and his direct reports (N-1).
- Eligible employees include those with access to the LUCIE training platform and those receiving compliance training face to face. This includes employees who are on parental or other forms of long-term leave who accordingly do not complete the training in the period of their leave. New joiners complete training throughout the year as part of their induction.

Financial review

Intertek's science-based advantage is delivering earnings growth and strong cash flow



Jonathan Timmis
Jonathan Timmis
Chief Financial Officer



We have made strong progress in 2022 across revenue, earnings and cash, reflecting the effectiveness of our performance approach and the high quality of our earnings model. Thanks to our cash discipline, we have maintained our negative working capital position and delivered a strong free cash flow ('FCF') generation."

Financial highlights

£3,193m Revenue up 14.6% 8.2%	£452m Statutory operating profit up/(down) 4.4% (1.3%)
£520m Adjusted operating profit up 9.7% 3.8%	14.2% Statutory operating margin down (130bps) (130bps)
16.3% Adjusted operating margin down (70bps) (70bps)	178.4p Statutory diluted EPS up/(down) 0.3% (5.6%)
105.8p Dividend per share in line with PY	Negative Working Capital
£386m Adjusted Free Cash Flow down (3.9%)	18.0% Return on Invested Capital (down)/up (20bps) 20bps

- Actual rates
- Constant rates

Consolidated income statement commentary

Total reported Group revenue has increased by 14.6%, with 3.3% growth contributed by acquisitions, a like-for-like ('LFL') revenue increase of 4.9% and an increase of 640bps from foreign exchange, reflecting sterling depreciation against most of the Group's trading currencies.

The Group's LFL revenue reflected 3.9% growth in the Products division, 5.6% growth in the Trade division and 7.9% growth in the Resources division at constant rates.

The Group's adjusted operating profit was £520.1m, up 3.8% at constant rates and 9.7% at actual rates. The adjusted operating margin was 16.3%, a decrease of 70bps from the prior year at constant rates.

The Group's statutory operating profit after Separately Disclosed Items ('SDIs') for the period was £452.4m (2021: £433.2m), down 1.3% at constant rates and statutory margin was 14.2% (2021: 15.5%). The Group's statutory profit for the year after tax was £306.8m (2021: £306.7m).

Net financing costs

Adjusted net financing costs were £31.9m, an increase of £3.5m on 2021 resulting from a combination of higher interest expense and the impact of foreign exchange rates. This comprised £2.2m (2021: £1.5m) of finance income and £34.1m (2021: £29.9m) of finance expense. Statutory net financing costs of £32.6m included £0.7m costs (2021: £8.6m income) relating to SDIs.

Tax

The adjusted effective tax rate was 26.3%, a decrease of 0.2% on the prior year (2021: 26.5%). The tax charge, including the impact of SDIs, of £113.0m (2021: £106.7m), equates to an effective rate of 26.9% (2021: 25.8%), the increase mainly driven by a non-taxable credit relating to a SDI item in 2021. The cash tax on adjusted results was 21.9% (2021: 22.9%).

Financial review Continued

Results for the year		
Key financials	2022 £m	2021 £m
Adjusted		
Revenue	3,192.9	2,786.3
Operating profit	520.1	473.9
Diluted EPS	211.1	190.8
Profit after tax	359.8	327.5
Cash flow from operations	722.0	695.8
Statutory		
Revenue	3,192.9	2,786.3
Operating profit	452.4	433.2
Diluted EPS	178.4	177.9
Profit after tax	306.8	306.7
Cash flow from operations	704.1	679.2
Dividend per share	105.8p	105.8p
Dividends paid in the year	170.6	170.6

Earnings per share

Adjusted diluted earnings per share ('EPS') at actual exchange rates was 10.6% higher at 211.1p (2021: 190.8p). Diluted EPS after SDIs was 178.4p (2021: 177.9p) per share and basic earnings per share after SDIs was 179.2p (2021: 178.7p).

Dividend

Reflecting the Group's strong cash generation in 2022, the Board recommends a full-year dividend of 105.8p per share, in line with prior year.

The full-year dividend of 105.8p represents a total cost of £170.6m or 50% of adjusted profit attributable to shareholders of the Group for 2022 (2021: £170.6m and 55%). The dividend is covered 2.0 times by earnings (2021: 1.8 times), based on adjusted diluted earnings per share divided by dividend per share.

Five-year performance – Adjusted Diluted EPS¹ (pence)

+2.0% CAGR³

2022	211.1
2021	190.8
2020	170.9
2019	212.5
2018	198.3
2017	191.6

Dividend per share² (pence)

+8.2% CAGR³

2022	105.8
2021	105.8
2020	105.8
2019	105.8
2018	99.1
2017	71.3

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 in Book three, page 11). A reconciliation between adjusted and statutory performance measures is set out overleaf. Figures before 1 January 2019 (when IFRS 16 was adopted) are on an IAS 17 basis.
2. Dividend per share for 2022 is based on the interim dividend paid of 34.2p (2021: 34.2p) plus the proposed final dividend of 71.6p (2021: 71.6p).
3. CAGR represents the compound annual growth rate from 2017 to 2022.

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

	Notes	Revenue			Adjusted operating profit		
		2022 £m	Change at 2022 actual rates %	Change at constant rates %	2022 £m	Change at 2022 actual rates %	Change at constant rates %
Products	2	2,024.3	15.3	8.5	426.9	6.8	–
Trade	2	635.6	10.5	5.6	57.9	12.2	14.0
Resources	2	533.0	17.0	10.3	35.3	56.2	50.9
Group total		3,192.9	14.6	8.2	520.1	9.7	3.8
Net financing costs	14				(31.9)		
Adjusted profit before income tax					488.2	9.6	3.9
Adjusted income tax expense	6				(128.4)		
Adjusted profit for the year					359.8	9.9	4.2
Adjusted diluted EPS (pence)	7				211.1	10.6	4.6

Financial review Continued

Acquisitions and investment

One of the key corporate goals of the Group's 5x5 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 business lines or countries with good growth and margin prospects where we have market-leading positions or to enter new exciting growth areas offering the latest technologies and Quality Assurance services.

Acquisitions

The Group completed one acquisition in the year (2021: three) with cash consideration paid of £65.9m (2021: £480.9m), net of cash acquired of £13.4m (2021: £15.8m), of which £2.7m has been paid in January 2023, and a further contingent consideration payable of £12.9m.

In August 2022, the Group acquired of Clean Energy Associates, LLC ('CEA'), a market-leading independent provider of quality assurance, supply chain traceability and technical services to the fast-growing solar energy and energy storage sectors.

Acquisition of CEA presents a compelling strategic fit and opportunity to expand Intertek's service offering within the World of Energy to provide Total Quality Assurance solutions for solar photovoltaic and energy storage products and installations.

CEA's service offering is highly complementary to Intertek's existing solar energy offerings in product testing and certification and in-field inspections, creating a truly end-to-end value proposition in the solar energy value chain for customers globally.

In 2022, £nil (2021: £10.9m) was spent in relation to consideration for prior year acquisitions.

Organic investment

The Group also invested £116.5m (2021: £97.1m) organically in laboratory expansions, new technologies (including software) and equipment and other facilities. This investment represented 3.6% of revenue (2021: 3.5%).

Pensions

The Group's pension moved to a net surplus of £19.1m (2021: £1.4m 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 below.

When 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 business as these assets will be supported and maintained by the 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, technology upgrades and related asset write-offs and are costs that are not expected to reoccur. The restructuring programme 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 in order to provide useful information regarding the underlying performance of the Group's operations.

The SDIs charge for 2022 comprises amortisation of acquisition intangibles of £34.8m (2021: 29.3m); acquisition and integration costs relating to successful, active or aborted acquisitions of £5.5m (2021: £11.4m); and restructuring costs of £27.4m (2021: £nil).

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

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	(113.0)	(15.4)	(128.4)
Profit for the year	306.8	53.0	359.8
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

2021 reconciliation of statutory to adjusted performance measures			
£m	Statutory	SDIs	Adjusted
Revenue	2,786.3	-	2,786.3
Operating profit	433.2	40.7	473.9
Operating margin (%)	15.5%	1.5%	17.0%
Net financing costs	(19.8)	(8.6)	(28.4)
Income tax expense	(106.7)	(11.3)	(118.0)
Profit for the year	306.7	20.8	327.5
Cash flow from operations	679.2	16.6	695.8
Basic EPS (pence)	178.7p	12.9p	191.6p
Diluted EPS (pence)	177.9p	12.9p	190.8p

Financial review Continued

Key performance indicators

The Group uses a variety of key performance indicators ('KPIs') to monitor the financial performance of the Group and its operating divisions. The specific metrics and associated definitions are disclosed on pages 24 and 25.

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			
	2022 £m	2021 £m	Change %
Reported revenue	3,192.9	2,786.3	14.6
less: Acquisitions/disposals revenue	(125.5)	(25.3)	
LFL revenue	3,067.4	2,761.0	11.1
Impact of foreign exchange movements	-	163.5	
LFL revenue at constant currency	3,067.4	2,924.5	4.9

The rate of Return On Invested Capital ('ROIC'), defined as 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 2022 of 18.0% compares to 17.8% in the prior year at constant exchange rates (2021: 18.2% at actual exchange rates).

Return On Invested Capital at constant currency			
	2022 £m	2021 £m	Change %
Adjusted operating profit	520.1	500.9	3.8
less: Adjusted tax ¹	(136.8)	(132.7)	3.1
Adjusted profit after tax	383.3	368.2	4.1
Invested capital ²	2,130.1	2,073.1	2.7
ROIC %	18.0%	17.8%	20bps

1. Calculated by applying the adjusted effective tax rate (2022: 26.3%, 2021: 26.5%) 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			
	2022 £m	2021 £m	Change %
Cash flow from operations	704.1	679.2	3.7
add back: Cash flow relating to SDIs	17.9	16.6	
Adjusted cash flow from operations	722.0	695.8	3.8
add back: Special contributions to pension schemes	2.0	2.0	-
Repayment of lease liability	(81.4)	(70.4)	(15.6)
Cash flow for cash conversion	642.6	627.4	2.4
Cash conversion %	123.6%	132.4%	(880bps)

Free cash flow reconciliation		
	2022 £m	2021 £m
Cash flow from operations	704.1	679.2
less: Net capital expenditure	(112.3)	(96.1)
add back: Interest received	2.2	1.5
less: Interest paid	(37.5)	(27.0)
less: Income tax paid	(106.7)	(102.0)
less: Lease liabilities paid	(81.4)	(70.4)
Free cash flow	368.4	385.2
add back: SDI cash outflow	17.9	16.6
Adjusted free cash flow	386.3	401.8

Net debt

The Group ended the period in a strong financial position. Financial net debt was £737.9m, an increase of £4.6m on 31 December 2021. The undrawn headroom on the Group's existing committed borrowing facilities at 31 December 2022 was £707.3m (2021: £564.2m).

Total net debt, including the impact of the IFRS 16 lease liability, was £1,060.1m (2021: £1,025.6m).

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

Financial review Continued

Working capital

During 2022, we have continued our working capital focus and, through disciplined performance management, we have maintained our negative working capital position at negative £47.8m (2021: negative £43.3m). Working capital has moved to (1.5%) of revenue, reflecting 10bps decline year-on-year.

Five-year trend - Working capital¹ as % of revenue

(650bps)

2022	(1.5)
2021	(1.6)
2020	(0.1)
2019	3.4
2018	3.9
2017	5.0

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

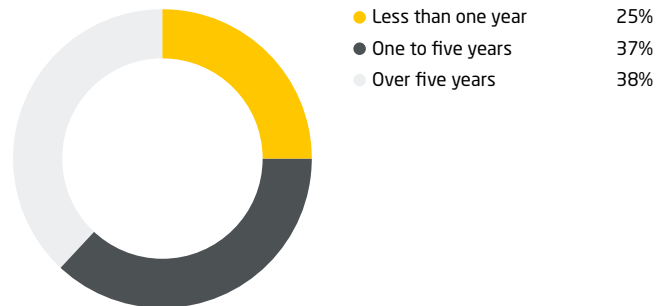
Adjusted free cash flow (£m)

1.5% CAGR¹

2022	386.3
2021	401.8
2020	435.6
2019	395.3
2018	372.6
2017	358.5

- CAGR represents the compound annual growth rate from 2017 to 2022.

Borrowings by maturity profile (At 31 December 2022)



Under existing facilities, the Group has available debt headroom of £707.3m at 31 December 2022. The components of net debt at 31 December 2022 are outlined below:

	1 January 2022 £m	Cash and non-cash movements £m	Exchange adjustments £m	31 December 2022 £m
Cash ¹	264.0	51.7	5.0	320.7
Borrowings ²	(997.3)	58.1	(119.4)	(1,058.6)
Financial net debt	(733.3)	109.8	(114.4)	(737.9)
Lease liabilities ²	(292.3)	(11.0)	(18.9)	(322.2)
Net debt	(1,025.6)	98.8	(133.3)	(1,060.1)

- As disclosed in note 14 of the financial statements in Book three, page 26
- 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 26). Lease liabilities include £92.4m of non-cash movements.

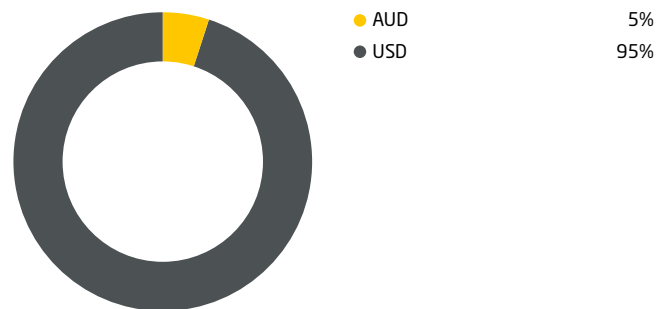
Financial review Continued

To ensure the Group is not exposed to income statement volatility in relation to foreign currency translation on 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 2022, analysed by currency, is as follows:

Borrowings by currency (At 31 December 2022)



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 8.2% (actual rates 14.6%) and adjusted operating profit grew 3.8% (actual rates 9.7%).

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 below:

Value of £1	Statement of financial position rates		Income statement rates	
	2022	2021	2022	2021
US dollar	1.20	1.35	1.24	1.38
Euro	1.13	1.19	1.17	1.16
Chinese renminbi	8.45	8.59	8.31	8.89
Hong Kong dollar	9.37	10.52	9.68	10.70
Australian dollar	1.78	1.86	1.78	1.83

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.

Jonathan Timmis
Chief Financial Officer

Operating review

Products

Good performance

£2,024.3m

Revenue

£426.9m

Adjusted operating profit

£376.5m

Statutory operating profit

Intertek value proposition

Our Products-related businesses consist of business lines that are focused on ensuring the quality and safety of physical components and products, as well as minimising risk through assessing the operating processes and quality management systems of our customers. 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, food and hospitality, healthcare and beauty, and pharmaceuticals.

Across these industries we provide a wide range of ATIC services, including laboratory safety, quality and performance testing, second-party supplier auditing, sustainability analysis, product assurance, vendor compliance, process performance analysis, facility plant and equipment verification and third-party certification.

Strategy

Our TQA value proposition provides a systemic approach to support the Quality Assurance efforts of our 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 and ultimately assist them in getting their products to market quicker, to continually meet evolving consumer demands.

2022 performance

Our Products division delivered a good performance overall.

We delivered a good LFL revenue growth of 3.9% at constant rates notwithstanding the impact of Covid in Q2 and November-December in China, the supply chain disruption in the automotive industry and the slow-down in new product development in Softlines and Hardlines in Q4. Outside of China our LFL revenue growth was 5.5% at constant rates.

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.

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.

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.

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.

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 device, and cosmetic sectors.

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.

Operating review Continued

Our operating profit of £426.9m was flat at constant rates and up 6.8% at actual rates versus 2021, resulting in an operating margin of 21.1%. This is 180 basis points at constant rates lower compared to 2021 when we benefitted from unusually high government subsidies, and in 2022 we were impacted by the Covid-19 disruptions in China and inflationary pressure in North America, Europe and Australia.

- In H2 2022 our Softlines business delivered low-single digit LFL revenue growth, resulting in a mid-single digit growth in LFL revenue for the year. The business benefitted from continuous growth in e-commerce, increased demand for testing protective equipment and the reduction in the lockdown activities in some of our markets although we continue to see store closures in Western Europe and North America.
- Our Hardlines business reported stable LFL revenue growth in H2 and low-single digit growth in LFL revenue in 2022. Hardlines saw further growth in e-commerce, increased consumer demand for home furniture and toys as well as from the reduction in the lockdown activities in some markets more than offsetting continuing closures of stores in Western Europe and North America.
- Our Electrical & Connected World business delivered low-single digit LFL revenue growth in the second half to register low-single digit LFL revenue growth for the year. This reflects increased ATIC activities driven by greater regulatory standards in energy efficiency,

the higher demand for testing and certification of medical devices, the increased testing requirements for 5G and greater corporate focus on cyber security.

- Our Business Assurance business delivered double-digit LFL revenue growth for the second half and the full year. The reduction of lockdown activities has driven a rebound in the number of ISO audits in some of our operations, while we continue to benefit from the attractive growth in supply chain assurance, the continuous focus on ethical supply, the increased needs of corporations for sustainability assurance and the strong growth in our People Assurance segment.
- Our Building & Construction business reported mid-single digit LFL revenue growth in H2 and mid-single digit LFL revenue for the year. We continue to benefit from the growing demand for more environmentally friendly and higher quality buildings, but the number of large infrastructure projects continues to be below 2021.
- Our Transportation Technology business saw double-digit negative LFL revenue growth in H2 2022 and high-single digit negative LFL revenue for the year. Following the lower demand for testing activities in Western Europe and North America, the second half saw increased investment by our clients in new powertrains to lower CO₂/NO_x emissions and improve fuel efficiency.

- Our Food business registered mid-single digit LFL revenue growth in the second half and for the full year. We are benefitting from the resumption of client supply operations in most markets, from the sustained demand for food safety testing activities and the higher demand for hygiene and safety audits in factories.
- We saw low-single digit LFL revenue growth in the second half and for the year in our Chemical & Pharma business. We benefitted from an improvement of demand for regulatory assurance and chemical testing in some of our operations in North America and Western Europe and from the increased R&D investments of the pharma industry.

2023 outlook

In 2023, we expect our Products division to deliver a good LFL revenue growth at constant currency.

Mid- to long-term growth outlook

Our Products division will benefit from mid-to long-term structural growth drivers including product variety, brand and supply chain expansion, product innovation and regulation, the growing demand for quality and sustainability from developed and emerging economies, the acceleration of e-commerce as a sales channel, and the increased corporate focus on risk.



Our TQA value proposition provides a systemic approach to support the Quality Assurance efforts of our Products-related customers in each of the areas of their operations.”

Financial highlights 2022

	2022 £m	2021 £m	Change at actual rates	Change at constant rates
Revenue	2,024.3	1,755.3	15.3%	8.5%
Like-for-like revenue	1,910.7	1,730.0	10.4%	3.9%
Adjusted operating profit	426.9	399.7	6.8%	-%
Adjusted operating margin	21.1%	22.8%	(170bps)	(180bps)
Statutory operating profit	376.5	365.4	3.0%	
Statutory operating margin	18.6%	20.8%	(220bps)	

Operating review Continued

Science-based Innovation

We continue to invest in innovation to deliver a superior customer service in our Products-related businesses.

In action Inlight

Managing complex supply chains



What it is: Through Intertek Inlight™, we provide the technology and expertise that enables organisations to better understand their supply chain risks and protect their brand. With our Wisetail online learning platform built in, it offers them enhanced analytics to manage their complex global supply chains and make real-time supplier decisions.

Customer benefit: Inlight is a cost-effective solution for global companies who require trusted information about the identities, capabilities and compliance of their supplier partners. It allows users more flexibility and customisation in their supply chain programmes, and offers live dashboards of suppliers' performance, trends, risks and opportunities, as well as training.

In action EcoCheck

Scientific approach to sustainability



What it is: EcoCheck is a unique 'green' certification scheme in the travel, tourism, and hospitality sectors that looks at our customers' complete environmental credentials. It takes a scientific and systemic approach to sustainability by employing a series of checkpoints, with criteria informed by the UN Global Compact 10 Principles that advance the UN Sustainable Development Goals.

Customer benefit: Our customers' guests can take comfort from the EcoCheck certificate that their stay was sustainable. It offers guests reassurance that their chosen travel operators are actively working to increase their own sustainability through robust analyses, tourism-specific solutions, comparative benchmarking, and an emphasis on actionable results.

In action SourceClear

A bespoke solution to support our customers' sustainability goals



What it is: SourceClear™ was developed to support our customers' sustainability journey, while fulfilling the demands of today's consumers. It manages and certifies product and materials data and business transactions throughout their supply chain, providing traceability and independent validation of product sustainability claims, enabling accurate and verified labelling of their products.

Customer benefit: Through SourceClear companies of all sizes can demonstrate that their products and brands are environmentally friendly, socially responsible, and have a positive impact on society. It will manage the end-to-end process for scope certificates and transaction certificates against the Textile Exchange's Recycled Claim Standard and Global Recycled Standard.



In action Global Market Access

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



What it is: We have developed the Global Market Access portal to support our customers by providing a convenient one-stop knowledge

database to help them bring their products to global markets with speed. The portal covers more than 180 consumer product types for 40 different markets – from soft goods such as apparel, and textiles, to hard goods such as cookware and furniture.

Customer benefit: Our self-help Global Market Access portal allows compliance and quality managers to get all the regulatory, testing, and recall information they need in one place instantly with just a few simple clicks. Currently, we offer four e-Services on the portal, including Regulatory Sheet, Test Plan, Recall Summary and Gap Analysis, to expediate global market access for consumer products.

Operating review Continued

In action Protek

Clean air and healthy indoor environments



What it is: Protek™ Facility Health Management helps our customers take a comprehensive, practical, and customised approach to the design and operation of indoor environments. The product's services include the assessment of unique risks and opportunities, alongside efficacy and validation testing that gives confidence to both our customers and their stakeholders.

Customer benefit: With organisations facing increased demand for indoor environments that support health and wellness, they need our science-based approach that will reduce the risks of pathogen transmission and enhance their buildings' air quality and comfort. Our bespoke solutions help them to mitigate risk, and increase employee and customer trust, satisfaction, and loyalty.



As a trusted partner to the world's leading retailers, manufacturers and distributors, Intertek's Products business lines support a wide range of industries in over 100 countries.

In action ToxClear

Delivering safer, cleaner and more sustainable fashion supply chains



What it is: ToxClear is an innovative digital chemical management platform for the fashion industry, which enables our customers to detox their supply chains. Its end-to-end Total Chemical Assurance solutions help them to reduce hazardous chemicals used in the input, process, and output stages of their operations, and offer transparency across their production and chemical usage.

Customer benefit: ToxClear connects with ZDHC Gateway, a Chemical Module for real-time ZDHC Manufacturing Restricted Substances List ('MRSL') conformance data mapping and generation of ZDHC Performance 'InCheck' Reports. These reports provide total traceability and transparency of chemicals used across complex supply chains. This gives clients full visibility of their chemical inventories to evaluate conformance with the ZDHC MRSL to help them achieve zero discharge of hazardous chemicals.

In action CircularAssure

Helping the polymer/plastics sector move towards a circular economy



What it is: CircularAssure is an innovative programme of assurance, testing and certification services which can be applied across the recycled plastic value chain, from waste collectors and recycling companies to polymer producers and brands. It enables them to optimise the value of recycled materials and products within the plastics/polymer circular economy while maintaining quality and safety.

Customer benefit: By adopting CircularAssure, chemical recycling companies can use our chemical analysis technology to boost process efficiencies; polymer producers can assess new recycled materials; waste collectors and mechanical recycling companies can use our insight-enabling testing to improve profitability; and brands can demonstrate the levels of recycled content in their products through our recycled content certification.



In action Green R&D

Striking the right balance



What it is: The demand for eco-friendly products has increased significantly as consumers want to ensure that the products they are purchasing have been created with minimal impact to the environment. Intertek Green R&D is an integrated solution that ensures the sustainability, quality and safety attributes of a product are optimised throughout its lifecycle.

Customer benefit: Green R&D is a bespoke science-based solution designed to provide customers with a holistic view of their product development - offering safety, quality, and performance testing and analysis, regulatory assessment and end-to-end environmental assessment. These services help companies mitigate risk and protect their brands through striking the right balance between quality, safety, and performance attributes.

Operating review Continued

Trade

Double digit profit growth

£635.6m

Revenue

£57.9m

Adjusted operating profit

£49.3m

Statutory operating profit

Intertek value proposition

Our Trade division consists of three global business lines with global and regional trade flow based on similar mid- to long-term structural growth drivers:

Our Caleb Brett business provides cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

Our Government & Trade Services ('GTS') business provides inspection services to governments and regulatory bodies to support trade activities that help the flow of goods across borders, predominantly in the Middle East, Africa and South America.

Our AgriWorld business provides analytical and testing services to global agricultural trading companies and growers.

Strategy

Our TQA value proposition assists our Trade-related customers in protecting the value and quality of their products during their custody-transfer, storage and transportation, globally, 24/7.

Our expertise, service innovations and advanced analytical capabilities allow us to optimise the return on our customers' cargoes and help them resolve difficult technical challenges.

Our independent product assessments provide peace of mind to our government clients that the quality of products imported into the country meet their standards and import processes.

2022 performance

Our Trade division delivered a mid-single digit LFL revenue growth of 5.6% at constant rates as we benefitted from the increased demand for Inspection and Testing in Energy and Agri products. Outside of China our LFL revenue growth was 7.0% at constant rates.

We delivered an operating profit of £57.9m, 14.0% higher at constant rates and 12.2% at actual rates compared to 2021. This resulted in an operating margin of 9.1%, up by 70bps at constant rates versus 2021 despite higher-than-expected inflation in several markets.

- Caleb Brett, a global leader in the Crude Oil and refined Products global trading markets, benefitted from improved momentum driven by increased global mobility with high-single digit LFL revenue growth in the second half and for the full year.
- Our GTS business provides certification services to governments in the Middle East, Africa and South America to facilitate the import of goods in their markets, based on acceptable quality and safety standards. This business saw double-digit negative growth in LFL revenue in H2 and the full year due to the termination of two contracts for profitability reasons.
- 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 for the second half and high-single digit LFL revenue growth for the full year. We continue to benefit from an increase in demand for inspection activities driven by the strong growth in the global food industry.

2023 outlook

In 2023, we expect our Trade division to deliver good LFL revenue growth at constant currency.

Mid- to long-term growth outlook

Our Trade division will continue to benefit from both regional and global trade-flow growth, as well as the increased customer focus on quality, quantity controls and supply chain risk management.

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.

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.

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.

Financial highlights 2022

	2022 £m	2021 £m	Change at actual rates	Change at constant rates
Revenue	635.6	575.4	10.5%	5.6%
Like-for-like revenue	635.2	575.4	10.4%	5.6%
Adjusted operating profit	57.9	51.6	12.2%	14.0%
Adjusted operating margin	9.1%	9.0%	10bps	70bps
Statutory operating profit	49.3	50.2	(1.8%)	
Statutory operating margin	7.8%	8.7%	(90bps)	

Operating review Continued

Science-based Innovation

We continue to invest in innovation to deliver a superior customer service in our Trade-related businesses:

In action
Inview

Advanced remote auditing and inspection services



What it is: Intertek Inview™ is our remote inspection solution that helps organisations conduct faster and more efficient inspections. During an Inview inspection, an Intertek expert will conduct the inspection remotely via live video using a hand-held device allowing them to follow the same rigorous quality procedures as those performed by our on-site inspectors for pre-shipment and commercial inspections of goods and shipments.

Customer benefit: Inview has been updated to provide even more information from each audit. The inclusion of automated carbon footprint metrics and other new features ensures that an audit conducted with Inview now delivers more analytical value and information to facilitate the reduction of a company's carbon footprint and help our customers in their ESG journey.

In action
Tradeable

Ground-level trade support and expertise



What it is: Intertek Tradeable provides trade support and expertise to deliver a comprehensive portfolio of pre-shipment solutions that enable the validation of suppliers or manufacturers, as well as production, shipment and goods handling processes. Our solutions facilitate risk mitigation right across the international supply chain, and we can tailor bespoke packages to meet our customers' specific requirements.

Customer benefit: Tradeable helps our customers protect their reputation and brand, enhances their quality control throughout the production process, minimises shipment delays and reduces the need for re-work, which empowers them to manage their supply chain risks better. We deliver the ground-level trade support and expertise they need to trade with confidence in an ever more complex and challenging trading environment.

In action
AgriWorld

Rapid On-site Testing of Grains and Cereals

What it is: Key to Intertek AgriWorld's end-to-end risk-based Quality Assurance solutions are the various services connecting agricultural supply chains to facilitate sustainable trade. This includes Rapid On-site Testing of Grains and Cereals where the implementation of the latest technological testing methods provides results to customers within minutes, allowing stakeholders to make informed decisions fast. These tests are performed all along the value chain on important quality and safety parameters such as Protein, Fat Content, Moisture, Aflatoxins and others.

Customer benefit: Our service solution promotes the sustainability of agricultural supply chains, as customers are able to maintain full traceability, reduce food loss and waste, and make informed decisions in real time. The visibility into quality and safety provided by rapid testing and delivery of results helps to prevent cargo degradation whilst optimising quality segmentation.



Operating review Continued

Resources

Growth acceleration

£533.0m

Revenue

£35.3m

Adjusted operating profit

£26.6m

Statutory operating profit

Intertek value proposition

Our Resources division consists of two business lines with similar mid- to long-term structural growth drivers.

Industry Services uses in-depth knowledge of the oil, gas, nuclear and power industries to provide a diverse range of TQA solutions to optimise the use of customers' assets and minimise the risk in their supply chains. Some of our key services include technical inspection, asset integrity management, analytical testing and ongoing training services. Our Minerals business provides a broad range of ATIC service solutions to the mining and minerals exploration industries, covering the resource supply chain from exploration and resource development, through to production, shipping and commercial settlement.

Strategy

Our TQA value proposition allows us to help customers gain peace of mind that their projects will proceed on time and their assets will continue to operate with a lower risk of technical failure or delay. Our broad range of services allows us to assist clients in protecting the quantity and quality of their mined and drilled products, improve safety and reduce commercial risk in the trading environment.

2022 performance

Our Resources division delivered a robust LFL revenue growth of 7.9% at constant rates driven by the increased Capex investments of our energy clients in traditional Oil & Gas and renewables as well as by the higher demand in Minerals. Outside of China our LFL revenue growth was 8.5% at constant rates. Revenue of £533.0m was up 17.0% at actual rates

and 10.3% at constant rates. We delivered an adjusted operating profit of £35.3m, 51% higher at constant rates and up 56% at actual rates. Our adjusted operating margin of 6.6% was 180 basis points higher at constant rates despite the higher-than-expected inflation in several markets.

- In Exploration and Production operations, our Capex Inspection services business delivered high-single digit LFL revenue growth in both the second half and full year.
- We delivered low-single digit negative LFL revenue growth in Opex Maintenance services in H2 2022, resulting in a low-single digit negative LFL revenue growth in 2022.
- Increased demand for testing and inspection activities saw our Minerals business deliver double-digit LFL revenue growth in the second half and for the full year.

2023 outlook

In 2023, we expect our Resources division to deliver a robust revenue growth at constant currency.

Mid- to long-term growth outlook

Our Resources division will grow in the mid-to long-term as we benefit from investments in energy to meet the demands of the growing population around the world.

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 petrochemical to provide customers with a diverse and technologically advanced range of TQA solutions. The services we offer include technical inspection, non-destructive and materials testing, and asset performance management.

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.

Financial highlights 2022

	2022 £m	2021 £m	Change at actual rates	Change at constant rates
Revenue	533.0	455.6	17.0%	10.3%
Like-for-like revenue	521.5	455.6	14.5%	7.9%
Adjusted operating profit	35.3	22.6	56.2%	50.9%
Adjusted operating margin	6.6%	5.0%	160bps	180bps
Statutory operating profit	26.6	17.6	51.1%	
Statutory operating margin	5.0%	3.9%	110bps	

Operating review Continued**Science-based Innovation**

We continue to invest in innovation to deliver a superior customer service in our Resources-related businesses:

In action**DeepView 3d****Optimal condition-based maintenance**

What it is: Intertek DeepView 3d is an advanced and sustainable inspection technology that combines inspection expertise, robotics, laser scanning and advanced non-destructive testing ('NDT'). It sets a new standard for digital mechanical integrity and digital condition assessment data, and helps our customers establish digital condition-based maintenance programmes that track and ensure equipment safety and reliability.

Customer benefit: We worked with an international deepwater drilling contractor to assess and analyse equipment condition at their facility at the Port of Houston in Texas. Our team was able to gather digital condition data through laser scanning, advanced NDT and a metrology assessment of the major components of their blowout preventer ('BOP') in just a few days, all without disassembling, reducing the overall cost and non-productive time of the BOP while providing a digital base line and current condition.

**In action****Intertek Hydrogen****End-to-end quality, safety and sustainability solutions for the Hydrogen industry**

What it is: Hydrogen is increasingly viewed as a leading energy transition fuel providing a way to decarbonise industries and support greater efficiency within renewable energy sectors. Intertek Hydrogen provides customers an innovative, end-to-end ATIC platform that provides a trusted and single-source partnership for support and guidance along every stage of the hydrogen value chain. In addition, it gives the hydrogen industry access to our extensive global network of trusted experts, risk-mitigating technical services, and global end-to-end risk-based quality, safety and sustainability solutions.

Customer benefit: As the global hydrogen industry expands and develops, the safety and regulatory challenges facing commercialisation of this technology is becoming more critical for our customers. Intertek Hydrogen helps them advance the sector, successfully develop and execute hydrogen-based projects, and create viable ecosystems. It also helps them overcome the safety challenges and navigate the sector's increasingly complex regulatory requirements.

In action**RiskAware****Partnership with Venture Global**

What it is: As a leader in global inspection services, our people gather and analyse hundreds of data points from quality assurance and quality control non-conformance reports, inspection and testing results, as well as health, safety and environment reports. With RiskAware, our customers are able to establish more efficient and cost-effective Quality, Health, Safety and Environment ('QHSE') programmes that address areas of higher risk to help reduce the cost of quality.

Customer benefit: Our customer, Venture Global, chose Intertek due to our global reach, quality reporting tools, and experience in vendor and site quality inspection. They have achieved facility start-up ahead of schedule, in part, due to our thorough inspections and utilisation of RiskAware. On the Calcasieu Pass project, we deployed our RiskAware processes and reporting tools. This helped ensure on-schedule equipment deliveries and installations.

Operating review Continued

In action

CarbonClear

Part of the Xpansiv Digital Fuels Program ecosystem



What it is: Intertek CarbonClear provides a unique carbon emissions intensity certification programme to consistently evaluate emissions across all supply chain stages. It can validate and disclose the carbon impact or intensity per project or across a company's whole portfolio, as well as identify key areas for emissions improvement versus peers and other industries.

Customer benefit: Intertek has joined the Xpansiv Digital Fuels Program ecosystem as Digital Crude Oil ("DCO") certification partner, providing data-quality assurance, carbon-intensity benchmarking and independent certifications to the Program.

In action

CarbonZero

Providing independent carbon-neutral certification



What it is: Our CarbonZero programme complements the Intertek CarbonClear programme. It certifies the achievement of carbon neutrality by combining emissions intensity certifications, such as CarbonClear, together with certification of traceable high-quality carbon capture or reduction investments. The programme can be applied at any phase of production, manufacturing, assembly or delivery, regardless of industry or supply chain configuration.

Customer benefit: The first Intertek CarbonZero certification was awarded to Aker BP, for the verified carbon neutral sale of 600,000 barrels of Edvard Grieg production. This certification enables companies worldwide to confidently market qualifying carbon neutral products and services as Intertek CarbonZero Verified, thereby demonstrating their tangible and auditable progress on the path to carbon neutrality.



In action

Minerals Global Centre of Excellence celebrates key milestones



What it is: Our Minerals Global Centre of Excellence, located in Perth, Western Australia, is a 20,000m², purpose-built space that brings together the Group's Minerals business. In 2022, we celebrated the first anniversary of this multi-service, state-of-the-art facility, built to support our mining and exploration customers to deliver the future-focused commodities that will underpin a more sustainable world.

Customer benefit: The pioneering facility is one of the largest, highly automated and most technologically advanced minerals laboratories in the world, providing customers with instant access to world class technical expertise, technology, innovation and services all in one location. Since opening it has reached a number of operational milestones, processing more than three million samples in the first year of operations, including one million PhotonAssay™ samples.



In action

PipeAware

Working across multiple vendor locations in four different countries



What it is: Intertek PipeAware™ is an innovative digital solution combining pipeline traceability with inspection data to give valuable, real-time insight on pipeline quality and compliance. It offers pipeline owners and operators traceability and easy access to the inspection, testing and material data needed to make informed decisions that ensure pipelines operate safely and efficiently.

Customer benefit: Working with a major oil company on a project that involves laying more than 300 miles of pipe, PipeAware™ offers cost-effective and faster access to critical data, which is all stored securely in one location. The data includes all inspection observations on individual pipe joints, including dents, stencil or marking errors, coating repairs, and bevel damage.

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 47 and 50.

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

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

In addition to the risk registers, all senior executives and their direct reports are required to complete an annual return to confirm that management controls have been effectively applied during the year. The return covers Sales, Operations, IT, Finance, 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 Sustainability – the risk of extreme weather events impacting our operations – as a principal risk for 2022: this follows the outcome of a portfolio exposure assessment which we conducted with Willis Towers Watson and which shows that the predicted impact of climate-related physical risks is likely to be localised and not material at the Group level (for further details see our TCFD statement on pages 53 to 55).

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 2027, 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.

Principal risks and uncertainties Continued

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 horizons. 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 in 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 opposite. 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 2027.

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 2027. The statement on going concern is in the Directors' Report in Book two, on page 72.

Scenario	Associated principal risks	Description
Regulatory environment change	<ul style="list-style-type: none"> Industry and competitive landscape Customer service Regulatory and political landscape People retention Reputation Macroeconomic Covid-19 	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	<ul style="list-style-type: none"> Industry and competitive landscape Customer service Business ethics People retention Reputation Macroeconomic Covid-19 	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	<ul style="list-style-type: none"> Business ethics People retention Financial risk Health, safety and wellbeing Reputation Macroeconomic Covid-19 	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	<ul style="list-style-type: none"> Customer service People retention IT systems and data security Reputation Macroeconomic Covid-19 	A serious data security/IT systems breach results in a significant financial penalty and a loss of reputation among customers.

Principal risks and uncertainties Continued

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 liability caps where appropriate.
- Code of Ethics which is communicated to all staff, who undergo regular training.
- Zero-tolerance approach with regard to any inappropriate behaviour by any individual employed by the Group, or acting on the Group's behalf.
- Whistleblowing programme, monitored by the Audit Committee, where staff are encouraged to report, without risk, any fraudulent or other activity likely to adversely affect the reputation of the Group.
- Relationship management and communication with external stakeholders.

2022 update

This risk remains stable compared with 2021. 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

- May lead to customer dissatisfaction and customer loss.
- Gradual erosion of market share and reputation if competitors are perceived to have better, more responsive or more consistent service offerings.

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.

2022 update

This risk remains stable compared with 2021.

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 lost market share.

Mitigation

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

2022 update

This risk remains stable compared with 2021.

Principal risks and uncertainties Continued

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

2022 update

This risk remains stable compared with 2021.

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 the Covid-19 pandemic 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.

2022 update

This risk remains stable compared with 2021.

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 post-Brexit 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

- GKAM and LKAM initiatives in place.
- Diversification of customer base.
- Focus on new services and acquisitions.
- Tracking new laws and regulations.
- Regular strategic and business line reviews.
- Development of ATIC-selling initiatives.
- NPS customer research to understand customer satisfaction.
- Using innovation to respond to the Covid-19 pandemic.

2022 update

This risk remains stable compared with 2021.

The Group continues to invest in innovation and to adapt our service delivery to meet our clients' changing needs.

Principal risks and uncertainties 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.
- Backup systems in place.
- Disaster recovery plans that are constantly tested and improved to minimise the impact if a failure does occur.
- Global Information Security policies in place (IT, Data Protection, CyberSecurity).
- Adherence to IT finance systems controls (part of Core Mandatory Controls ('CMCs')).
- Adherence to IT general controls.
- Internal and external audit testing.
- Processes to ensure compliance with GDPR.

2022 update

This risk remains stable compared with 2021.

8 Covid-19

The risk caused by the ongoing coronavirus pandemic. The virus is a potential risk to: (1) the health and safety of our people; (2) the ability of our and our customers' businesses to operate normally; and (3) global supply chains and the flow of goods and services.

Possible impact

- There is a health and safety risk to our people who come into contact with confirmed cases.
- In affected areas, there is a risk that the ability of our people to work as normal is impacted by mandatory health and safety restrictions, including quarantine and travel restrictions in certain cases.
- There is a risk that the ability of our people to perform field-based work (audits and inspections) continues to be affected by control and prevention measures that we and our clients are taking, or are subject to.
- In affected areas, there is risk of disruption to our normal operations, both as a consequence of the issues faced by our people and of the impact to our clients' operations and production levels.
- There is a risk that an ongoing situation could continue to disrupt global supply chains, which could lead to a need to refocus our service offering or delivery locations to align optimally with customer requirements and to remain competitive.
- There is a risk that our 2023 performance will be affected by the disruption to the supply chains of our clients and any impact it may have on global trade activities.

Mitigation

- We are closely monitoring our people's health, safety and security and relevant regulatory requirements.
- We have implemented, and continually revise, the Group's Covid-19 Health and Safety Policy, which covers extensive hygiene control and prevention measures for our office and field-based people.
- We have made changes to operational procedures to redirect work to Intertek facilities in unaffected locations.
- We are engaging closely with our customers to support their needs.
- We have working groups at the Group, regional and local levels to monitor the situation and put appropriate mitigation action and continuity plans in place.

2022 update

We believe this risk remains similar to the prior year. Although global vaccination programmes and other factors (such as rapid mass testing and improved treatments and therapies) have reduced this risk during 2022, there remains significant uncertainty over new variants and the potential for ongoing government restrictions.

We continue to work closely with our clients to prioritise the health and safety of our and their people and to maximise business continuity.

9 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-decretive 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.

2022 update

This risk remains stable compared with 2021.

Legal and Regulatory

10 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. TIC Council with related advocacy and liaison activities, including in relation to developing climate-related or environmental regulations.

2022 update

This risk remains stable compared with 2021.

11 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 is taken in areas where regulations are uncertain.
- The Group continues to dedicate resources to ensure compliance with the UK Bribery Act and all other anti-bribery legislation, and internal policy.

2022 update

This risk remains stable compared with 2021.

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

Local compliance officers perform due diligence on sub-contractors to check that they have signed the Group's Code.

During 2022, 91 (2021: 112) non-compliance issues were reported through the whistleblowing hotline and other routes. All were investigated, with 24 (2021: 19) substantiated and corrective action taken.

Financial

12 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 a direct impact on the bottom line.
- Large-scale losses can affect financial results.
- Potential legal proceedings leading to costs and/or management time.
- Corresponding loss of value and reputation could result in funding being withdrawn or provided at higher interest rates.
- Possible adverse publicity.

Mitigation

- The Group has financial, management and systems controls in place to ensure that the Group's assets are protected from major financial risks.
- Adherence to Authorities Grid (which sets approval limits for financial transactions).
- Stringent controls on working capital and cash collection.
- Legal, financial and other due diligence on M&A and other investments.
- Monitoring adherence to our CMCs and tracking of remediations by our compliance and finance controls teams and using our framework of risk committees.
- A detailed system of financial reporting is in place to ensure that monthly financial results are thoroughly reviewed. The Group also operates a rigorous programme of internal audits and management reviews. Independent external auditors review the Group's half-year results and audit the Group's annual financial statements.

2022 update

This risk remains stable compared with 2021.

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 science-based targets to get to net zero carbon emissions by 2050. 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 Taskforce 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 energy transition – a shift from reliance on carbon-emitting 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 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.



TCFD Continued

Our TCFD journey

2018

Systemic CO₂ emission collection in all sites/operations



2022

Country specific targets and action plans to reduce emissions



2022

CO₂ reduction targets for all employees included in yearly compensation

2022

Compliant with TCFD recommendations



2017

First Group-wide GHG emission reduction target set

2020

Voluntary disclosure against TCFD recommendations

2021

Commitment to net zero by 2050



2022

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 four 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 consistent with all the TCFD recommendations and recommended disclosures. By this we mean the four TCFD recommendations and the 11 recommended disclosures set out in 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, also taking into account the TCFD 'Guidance for All Sectors'.

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

TCFD Continued

Section 1: Governance

TCFD Recommended Disclosures	Further information
a) Describe the Board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> Governance Structure (Book two, page 37). Governance and Sustainability (Book two, page 51).
b) Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> Internal control and risk management (Book two, pages 50 and 76).

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 Risk Footprint and our internal controls/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.

The Group's Head of Sustainability reports to the Board on our climate-related risks and opportunities 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 action plans to reduce carbon emissions.

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, Head of Sustainability, Head of Finance – Sustainability and Group General Counsel) which is working on our detailed net zero action plans and manages our GHG emissions plans and targets;
- our Beyond Net Zero Steering Committee (whose members include our Group CEO, Head of Sustainability, SVP Corporate Development Group, EVP – Marketing & Communications, Director Group Communications and Group General Counsel), 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.

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.	<ul style="list-style-type: none"> Principal risks and uncertainties (page 43). Our climate change methodology and approach (page 57).
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> Strategic Report; Our business model (pages 14 to 23). 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.	<ul style="list-style-type: none"> Strategic Report; Our business model (pages 14 to 23). Sustainability Report (Book two). Financial Report (Book three).

At the high level, our target 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 should 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 position 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 reduction 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.

TCFD Continued

2 a) Our climate-related risks and opportunities

Based on our supply and demand model 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	<p>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.</p> <p>The world will be dependent on traditional oil and gas for longer than people think: there have been under-investments in oil and gas exploration since 2015; there is structural under-investment in alternative energy sources and renewables will take time to scale, creating risks for governments and economies in moving away too quickly from traditional energy sources.</p> <p>This will require our clients to make incremental investments in traditional oil and gas infrastructure, exploration and production. 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.</p> <p>Our Caleb Brett business should benefit from the recovery of global demand for oil and gas to pre-Covid-19 consumption levels 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. Today, only 9% of global energy is from renewable sources and 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.</p> <p>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.</p> <p>The energy transition that certain of our traditional oil and gas clients face as they move to being total 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 topics and trends that we believe will position us strongly to take advantage of current and future business development linked to the energy transition.</p>

Opportunity area	Description of opportunities
Carbon footprint transition	<p>For our 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.</p> <p>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 footprints and to develop lower carbon footprint products.</p> <p>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 footprint 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 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.</p>
Policy	<p>Climate-related laws and regulations will increase over time.</p> <p>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.</p> <p>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.</p> <p>We expect to benefit from increased regulation to drive investment and product development by our clients in the energy, infrastructure and transportation sectors.</p> <p>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/supply chain carbon emissions.</p> <p>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.</p>

TCFD Continued

Climate-related risks

Risk area	Description of risk
Physical impacts	<p>We consider that there are three types of possible physical impacts:</p> <ol style="list-style-type: none"> 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. <p>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.</p>

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 aims 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 underinvestment in traditional oil and gas as renewables lack 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 LLC, 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 Green 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:

Climate-related opportunities	Timeframe			Scenario		Financial impact
	Short	Medium	Long	RCP4.5	RCP8.5	
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: Our pre-Covid (2014 – 2019) organic revenue CAGR was c.3%. Sustainability/ESG services were a driver of that revenue growth. Post-Covid, we expect the Group revenue growth from 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 scenario modelling supported by WTW's Climate Diagnostic technology platform. For this purpose, our portfolio includes 985 sites and associated assets and revenues. The assessment evaluated the percentage of our portfolio that is exposed to a material level of climate-related risk over four time periods (today; 2030; 2050 and 2100) and under two scenarios (RCP4.5 and RCP8.5) – see Figure 1 and 2.

TCFD Continued

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

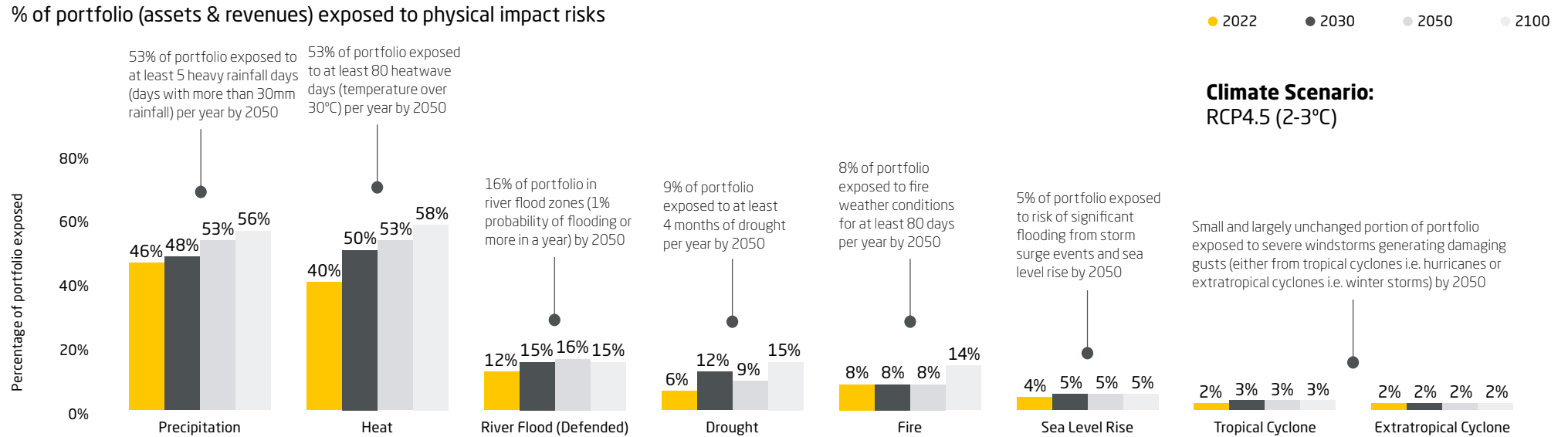
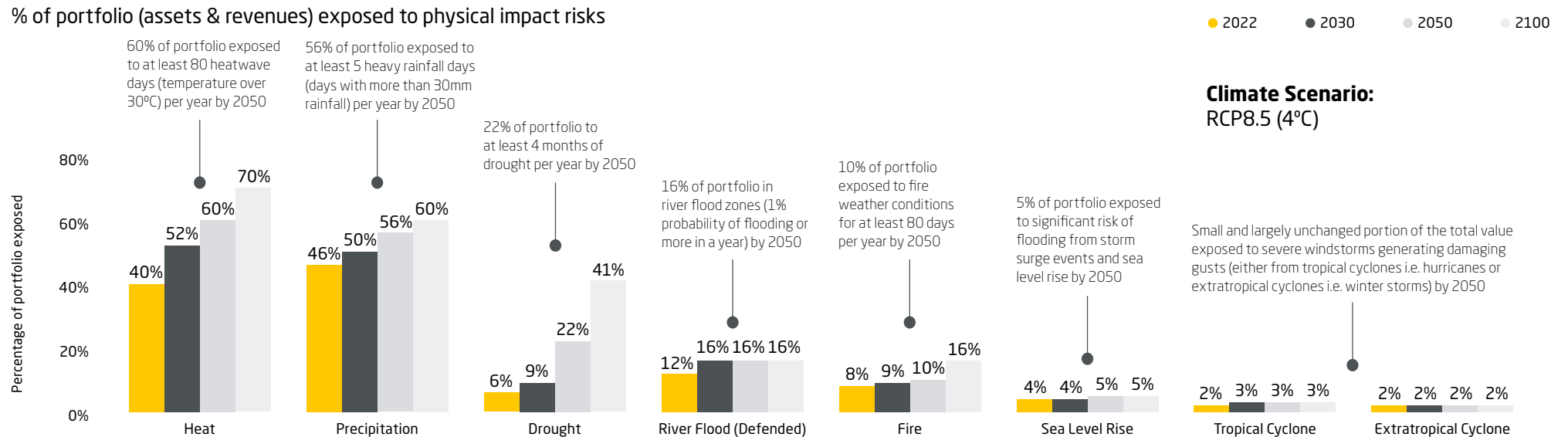


Figure 2: Physical risk exposure under an RCP8.5 scenario:



TCFD Continued

Physical risk assessment

The assessment shows that our broad geographic footprint and capital-light earnings model – covered in more detail in 2°C – 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	<ul style="list-style-type: none"> • Property damage and business disruption 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Productivity changes as severe heat affects people and/or equipment • Cost increases linked to an increased requirement for air conditioning/cooling 	<ul style="list-style-type: none"> • Add identified climate-related risk into our business continuity planning for sites with predicted exposure • Increase energy efficiency/use of solar/renewable energy
Drought	<ul style="list-style-type: none"> • Operational impact from water scarcity • Changes to demand for our services linked to changing consumption patterns, population migration or conflict 	<ul style="list-style-type: none"> • Add identified climate-related risk into our business continuity planning for sites with predicted exposure • Focus on reducing water usage/efficiency
Sea level rise	<ul style="list-style-type: none"> • Property damage and business disruption 	<ul style="list-style-type: none"> • 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 Products, Trade and Resources divisions. Over the five-year period to date, our operations have been impacted by c.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 RCP4.5 and RCP8.5 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 (either changes to suppliers, to the raw materials being supplied or to the geographic location of supply chains).
- Our products 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.



TCFD Continued

Section 3: Risk management

TCFD Recommended Disclosures	Further information
a) Describe the organisation's processes for identifying and assessing climate-related risks.	• Internal control and risk management (Book two, pages 50 and 76).
b) Describe the organisation's processes for managing climate-related risks.	• Internal control and risk management (Book two, pages 50 and 76).
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	• Internal control and risk management (Book two, pages 50 and 76).

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

"Sustainability risk" – the risk of extreme weather events having a physical impact on our business and operations – was specifically identified as a standalone Group principal risk in 2021 and reflected accordingly in our viability statement and going concern analysis.

In 2022, we have further developed our processes for identifying and assessing climate-related risks, 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 is expected to increase only very marginally in the period to 2050, with any financial impact falling well below the threshold for materiality. On that basis, we have removed "Sustainability" as a Group principal risk in 2022. We will keep this under 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 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 RCP4.5 and RCP8.5 scenario in the short, medium and long-term. We will 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 TQA 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, pages 24 to 29).
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	• Environment section (Book two, pages 24 to 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 24 to 29).

We use carbon-emissions target and net zero target dashboards by country to drive our climate-change/net zero progress and to track the effectiveness of our climate-related action plans.

We have made several climate-related public commitments, on our own and with other organisations. Central to these is to set and meet science-based targets and we have joined the global movement of 'Business Ambition for 1.5°C' and the UN Race to Zero campaign. The Science Based Target initiative ('SBTi') defines and promotes global best practice in science-based target setting. We have applied the 'SBTi Criteria and Recommendations' guidance to our policies and Greenhouse Gas accounting standards in the development of our new science-based targets and have applied for our targets to be validated.

Intertek publicly reports on its Scope 1, 2 and 3 GHG emissions and the carbon intensity of our operational emissions per employee and by revenue. Progress against targets is disclosed in the Annual Report, as well as in other relevant publications. 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. Further details can be found in Book two, pages 24 to 29.

In 2022, we changed the operation of our annual incentive plan to align our annual incentive framework with progress against our ESG and climate-related goals. Reflecting on the Group's wider purpose of bringing quality, safety and sustainability to life, the Remuneration Committee considered it was appropriate to add an ESG element (with a 15% weighting) based on performance against a carbon emissions reduction target.

TCFD Continued

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 TQA 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 (Caleb Brett and Moody) 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 ('IPCC') Representative Concentration Pathways ('RCPs'):

- **Intermediate (RCP4.5):** 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 (RCP8.5):** 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 model 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.



Section 172 statement

Our Science-based Customer Excellence Advantage creates sustainable growth. For all.

In accordance with their duties under section 172(1) of the Companies Act 2006, the Board of Directors individually and collectively confirm that during the year under review, they have acted in a way that they consider, in good faith, is most likely to promote the long-term success of the Company for the benefit of its members as a whole, whilst having due regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, being:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

Long-term success

We, as a Board, clearly understand our responsibility to deliver long-term sustainable success and returns for our shareholders, underpinned by the highest standard of corporate governance, conduct and integrity. We collectively review, discuss and annually agree the Group's strategy which covers a period of five years and is then linked to the viability statement as outlined on pages 43 and 44.

Intertek has been delivering pioneering safety solutions to companies for over 130 years and in that time has had to navigate multiple challenges on a local and global basis. Based on our Science-based Customer Excellence approach, we have learned much during the Covid-19 pandemic. By acting with speed, flexibility and innovation to support our clients, we have lived up to our philosophy of being a force for good and will continue to do so as the demand for Quality Assurance solutions increases post Covid-19.

Our business can only grow and prosper over the long term if we understand and respect the views and needs of our customers, our people and the communities in which we operate, as well as our suppliers and the shareholders to whom we are accountable.

(A) The likely consequences of any decision in the long term

The importance of having due regard to stakeholders in the context of decision-making is brought to the Board's attention regularly.

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.

Examples of some of the principal decisions taken by the Board during the year, an explanation of the outcome of the decisions and the matters which the Directors had regard to when reaching such decisions, are set out on the next page.

For more information about:

- the Intertek Science-based Customer Excellence Advantage and the attractive nature of our industry, Intertek's effective Purpose-led long-term 5x5 strategy for growth, see pages 1 to 22 in our Strategic Report;
- the exciting structural growth drivers in the global Quality Assurance market post Covid-19 and the focus on climate change, see pages 8 to 9 in our Strategic Report;
- what we are doing to address our impact on climate change and the environment, and why sustainability is central to everything we do, see pages 49 to 57 of the TCFD statement and pages 24 to 29 in Book two; and
- how we consider Intertek to be viable and a going concern, see pages 43 and 44 of the Strategic Report and page 72 of the Audit Committee report in Book two.

Section 172 statement Continued

Principal decisions

We define principal decisions taken by the Board as those decisions that are of a strategic nature and that are significant to any of our key stakeholder groups. As outlined in the FRC's Guidance on the Strategic Report, we include decisions related to capital allocation and dividend policy.

For Board consideration	Stakeholders affected	How stakeholders affected were considered	The principal decision and outcome(s)
Whether the 2022 final and interim dividend should be paid in line with our dividend policy.	<ul style="list-style-type: none"> Communities Employees Governments Investors 	<p>The Board carefully reviewed the performance of the Group in Q1 and then at the half-year, together with the 2022 outlook for the profit and loss account and the balance sheet.</p> <p>They also considered the impact of this decision on our shareholders, many of whom are pension funds which then has a bearing on individuals in the wider community together with the tax paid on such dividends. Many of our employees are themselves also shareholders and these payments reflected Intertek's ability to deliver sustainable growth and value for all of our stakeholders.</p>	<p>The Board recommended a full-year dividend of 105.8p per share, in line with the previous year, with payment of a final dividend of 71.6p to shareholders in June 2022 and an interim dividend of 34.2p in October 2022.</p> <p>This recommendation reflected the Group's strong progress in 2021 in revenue, margin, earnings and cash together with a robust financial performance in the first half of 2022 and the Board's confidence in the strengths of our high-quality growth business model.</p> <p>The Board concluded that it was in the long-term interest of the Company to proceed with the payment of the dividends.</p>
Acquisition of Clean Energy Associates, LLC ('CEA').	<ul style="list-style-type: none"> Communities Customers Employees Investors 	<p>The Board undertook an extensive review of the business, the market, strategic rationale, management team, culture and the business plan, as well as many other important factors.</p> <p>The Board, having consideration to CEA being a market-leading independent provider of quality assurance, supply chain traceability and technical services to the fast-growing solar energy and energy storage sectors, considered the acquisition to be a compelling opportunity for Intertek to expand its sustainability service in the fast-growing quality assurance market for solar energy and energy storage.</p> <p>Due to CEA's position as a trusted partner to some of the world's leading solar project developers, owners and financiers across the value chain, the Board deemed the acquisition to be a good fit with Intertek's existing solar energy service offerings in product testing and certification and in-field inspections, providing an end-to-end service offering to support customers on their decarbonisation and energy sustainability journeys. The Board also saw the opportunity for CEA to benefit from Intertek's global network and customer base, facilitating expansion opportunities into new geographies.</p>	<p>Following the Board's extensive and careful consideration, it resolved to approve the acquisition of CEA after reviewing and agreeing that CEA would form part of the future long-term success of Intertek and was in the best interests of all of its stakeholders. The acquisition of CEA was announced in July 2022.</p>
Continued the review of the global Covid-19 Health and Safety ('HSE') Policy.	<ul style="list-style-type: none"> Communities Customers Employees Environment Government and Regulators 	<p>Our main priority is always to ensure the health and safety of our employees. By implementing a policy which applies Group-wide, we ensured that our employees continue to exercise safe practices throughout the ever-changing landscape of the pandemic.</p> <p>The Board regularly reviewed the Policy to ensure that changes were implemented to reflect evolving developments in local practices, globally, and as the understanding of the virus evolves.</p>	<p>In May 2022, an updated Covid-19 HSE Policy was issued to reflect important developments following the approval of multiple vaccines and the rollout of vaccination programmes.</p>

Section 172 statement Continued

Board engagement with stakeholders (matters B, C, D & F)

In the table on the next page we have set out our key stakeholder groups, how they are linked to our strategy and risks, their material issues and concerns, why and how the Board engages with them, and the outcome of the engagement. We understand the need to tailor our approach to engagement with each stakeholder group to maintain positive and beneficial relationships and to understand their needs and interests. In this way, we can take account of these interests in our boardroom discussions and understand the impact of our decision-making on each stakeholder group, which in turn ensures we can continue to provide services that our clients need, collaborate effectively with our colleagues, make a positive impact to local communities and deliver robust returns and long-term sustainable value for our investors.

Strategic priorities



Differentiated brand proposition



Superior customer service



Effective sales strategy



Growth and margin-accretive portfolio



Operational excellence

More on page 10

Our strategic enablers



Living our customer-centric culture



Disciplined performance management



Superior technology



Energising our people



Delivering sustainable results

More on page 10

Principal risks

- 01 Reputation
- 02 Customer service
- 03 People retention
- 04 Macroeconomic
- 05 Health, safety and wellbeing
- 06 Industry and competitive landscape
- 07 IT systems and data security
- 08 Covid-19
- 09 Contracting
- 10 Regulatory and political landscape
- 11 Business ethics
- 12 Financial risk

More on page 43

Section 172 statement Continued

Customers

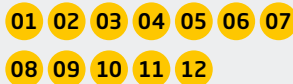
Link to strategy and risk



Their material issues/priorities

- Science-based Customer Excellence approach
- Global supply chain disruption.
- Consistent high quality work.
- Speed of service delivery.
- Safety in workplaces.

Principal risks



More in Book two, pages 17 to 23

Why and how the Board engages

- Customer engagement is important for customer growth as it develops and strengthens our customer 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.
- By offering our customers the Intertek Science-based Total Quality Assurance advantage to strengthen their businesses and supporting them to thrive in an increasingly complex world.
- Regular reports to the Board with detailed deep dives on major customers during 2022.
- Data Intelligence Benchmarking by site, service, and customer.
- Net Promoter Score listening to c.5,400 customers per month.
- By visiting two customers in India in October 2022.

Outcome of engagement

- It was clear from engagement that products launched during the pandemic, namely Protek, had been vital in ensuring the safety of customers' employees returning to the workplace.
- Sustainability is one of the priorities for customers as this becomes an area of increasing focus to make the world a better place.
- Recent examples of innovation by engaging with our customers are Intertek EcoCheck, Intertek TOXCLEAR and the development of enhanced features to our market-leading supply chain compliance solution, Inlight 2.0 (see more information in the CEO report on page 11).

Further examples are below:

- In July, Intertek Hong Kong celebrated the opening of its Pet Product Testing Centre offering innovative pet product testing solutions to the market.
- In September, Intertek launched a new certification for vegan foods. Intertek's Vegan Certification Programme has several facets to determine the suitability of food products for vegan consumers.
- In December, Intertek Assuris launched Green R&D, an integrated solution that ensures the sustainability, quality and safety attributes of a product are optimised from its conception all the way through its life cycle.

People

Link to strategy and risk



Their material issues/priorities

- Safe laboratory and office working environments.
- Employee engagement, wellbeing and mental health support.
- Job security.
- Ethical practices.
- Training and Recognition.
- Information on the business.
- Community involvement.

Principal risks



More in Book two, pages 10 to 16

Why and how the Board engages

- Our core strength is, and always will be, our people. They are key to bringing quality, safety and sustainability to life for an ever better world.
- We recognise our employees' contribution to the success of our customers' products, services and operations. They drive our growth; delivering global solutions locally to build strong local relationships and fuelled by their deep understanding of local culture and customer priorities. We have an experienced, entrepreneurial, diverse workforce with outstanding talent for innovation.
- Regular updates to the Board on the Covid-19 pandemic across the Group to closely monitor our people's health and wellbeing using a '5-category' system.
- Updates on our people at every Board meeting and extensive discussions on people, talent planning and culture throughout the year.
- Understanding the continuing uncertainty in the world and supporting our people and the wider community.

Outcome of engagement

- In 2021, Intertek Check Safety First ('CFS') worked closely with SPS Training and the Stevenage Job Centre to offer young people an opportunity to join Intertek under the Government's Kickstart Scheme. At the end of a six-month placement, Intertek gained three high performing full-time permanent employees. This was the result of the overall commitment demonstrated

by CSF UK team to create the inclusive working conditions and a very welcoming environment for young professionals. Presenting the award in September 2022, Mehul Shah, CEO of SPS said: "Intertek are very worthy winners of our Employer of the Year award after the committed and dedicated work they have done over the past few years in providing opportunities for young people to establish a career. They have had incredible success with the young people placed with them and are worthy winners of this award".

- In July 2022, the Social Innovation Foundation of Thailand presented Intertek Thailand with a certificate to recognise Intertek's support to the Government-sponsored Foundation by providing employment to people with disabilities. We believe that people with disabilities should have equal opportunity to work and be able to access all economic and social opportunities without discrimination.
- Diversity is part of Intertek's core values. There is a diverse workforce of 44 nationalities in MENAP and we take pride in creating an environment to recognise and celebrate unique cultures. In October, Intertek MENAP offices celebrated Diwali, Indian Festival of Lights, with employees from different offices and nationalities coming together to celebrate the festive occasion, fostering the spirit of teamwork and openness in embracing different cultures. The opportunity was also taken to recognise colleagues' long service.

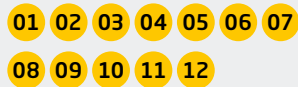
Section 172 statement Continued

Investors

Link to strategy and risk



Principal risks



More in Book two, page 62

Their material issues/priorities

- Long-term strategy and business model.
- Financial performance.
- Governance.
- Sustainability.
- Risk management.

Why and how the Board engages

- We are responsible to the Company's shareholders for the proper conduct and success of the business and our shareholders play an important role in monitoring and safeguarding the governance of the Group. We do everything for the benefit of our shareholders, whether they are large institutions or private shareholders, financially through the returns we generate for them and reputationally through the way we operate.
- The Chairman holds meetings with shareholders to discuss Corporate Governance annually.
- One shareholder consultation was undertaken during the year prior to the Directors' Remuneration report vote at the Annual General Meeting ('AGM').
- Feedback from all such meetings with shareholders is given to the Board.
- Regular investor relations updates to the Board.
- The 2022 AGM facilitated the participation of shareholders virtually via Microsoft Teams enabling them to ask questions and ensuring their wellbeing, safety and inclusivity.

Outcome of engagement

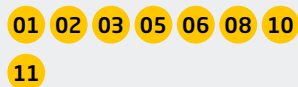
- The feedback from the meetings the Chairman had with shareholders was positive and the shareholders continue to be supportive of Intertek's strategy, the management and the Board. The shareholders raised queries on the business post the pandemic and the opportunities for growth in sustainability.
- Following feedback from investors and other stakeholders, and in line with the Group's wider Purpose of bringing quality, safety and sustainability to life, we introduced an ESG element into the annual incentive framework. More information is outlined in the Remuneration Committee report in Book two, pages 78 to 94.
- Decision to pay the full-year and interim dividends.
- Focus on carbon emission reduction plans.

Communities

Link to strategy and risk



Principal risks



More in Book two, pages 30 to 35

Their material issues/priorities

- Local employment.
- The environment and our impact.
- Supporting local communities.
- Safety in the workplace, in public places, on public transport and at home.

Why and how the Board engages

- We are Purpose-led and passionate about making the world a better place; bringing quality, safety and sustainability to life.
- We are committed to supporting the communities in which we operate, and wider society as a whole, as a force for good.
- Our sustainability, growth and innovations, as well as the services we provide to our customers, also generate direct and indirect benefits for communities in which we operate.

Outcome of engagement

- In August 2022, a group of 20+ students from the Hong Kong Academy for Gifted Education attended a taster course by Intertek Hong Kong, allowing them to get a taster of what to expect from the pharmaceutical product testing field.
- In November 2022, Intertek Thailand initiated an employee volunteering programme to help the Baan-Kor-Wang School and for colleagues to give back to their communities. The project received overwhelming positive feedback and support from employees across all business lines, through personal donations and volunteering efforts. Nearly 200kgs of rice, dozens of seasonings, children's face masks and stationery were donated, and about

30 volunteers participated on-site, painting the school's walls and discarding the old and unused mushroom farming hut. The kindness and compassion shown by our colleagues not only brightened the day for the students but it also energised our people by doing the right thing for society.

- In India, the Textile Technology Training Centre's skill development initiative aims to provide vocational training, technical knowledge sharing and learning by working in a Softlines laboratory. In December 2022, after a three-month intensive course, the first batch of 45 trainees graduated. A small graduation ceremony was held for the 45 interns in Tirupur. The excitement amongst the students was palpable. In post-ceremony interactions, students shared their stories and learnings in the three-month period. Many described their experience as "a golden opportunity" and "a turning point in their lives". Armed now with skill sets making them ready to be employed, the children of farmers and daily wage earners now have a chance at a brighter future.
- In December 2022, Intertek Assuris in Mississauga hosted a holiday get-together and fundraiser in support of the Canadian Mental Health Association ('CMHA'). The results for this day's activities were overwhelming, raising \$1,000 CAD for the day alone. With these proceeds, combined with an additional \$600 CAD raised throughout the year, the social committee of Assuris will be making a total donation of \$1,600 CAD to CMHA.

Section 172 statement Continued

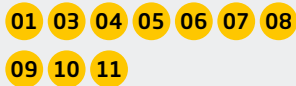


Government and Regulators

Link to strategy and risk



Principal risks



More in Book two, page 22

Their material issues/priorities

- Compliance with local laws and regulations.
- Impact on wider society and on the environment.
- Safety in the workplace, in public places, on public transport throughout and post the pandemic.
- Quality of products.

Why and how the Board engages

- 'Doing Business the Right Way' is part of who we are and, as a responsible business, we are dedicated to engaging positively with governments and regulators to ensure we are supporting the wider community and complying with global, regional and local regulations.
- Regular reports to the Board on Risk, Control, Compliance, Quality and Corporate Governance.
- The regular review of the viability of the business, the risks it faces and mitigation action plans.
- 'Doing Business the Right Way'.
- Annual review of Modern Slavery and publication of our statement.



I am excited for our LATAM colleagues to participate in the very first Compliance Week. It's important to reinforce best practices when it comes to compliance; focusing on compliance-related topics throughout the week provides the perfect opportunity to do so."

Carlos Velasco,

President Latin America and Caleb Brett, Agri, Minerals – Americas.

Outcome of engagement

- The annual revision and update to the Core Mandatory Controls to ensure that the business operates under essential controls in line with local requirements and the expectations of doing business.
- The annual Code of Ethics training which is updated each year.
- The first-ever Intertek Compliance Week took place in December 2022 across our LATAM offices and labs, where our colleagues celebrated 'Doing Business the Right Way'. Events planned throughout the week included daily Compliance Talk podcast episodes, training, and quizzes created by our Americas Compliance Team, all provided in English, Portuguese, and Spanish. Compliance Week was developed by our Compliance team to recognise the high level of integrity underpinning the way we work, guiding our decision-making, and connecting our colleagues across the world. This programme will be rolled out in other locations in 2023.

Section 172 statement Continued

(E) 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. 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.

For more information about:

- how we carry on business responsibly, see Book two, pages 32 to 35;
- our safety priorities, policies and performance, see Book two, page 10; and
- our system of internal control including our management of risk, see Book two, pages 50 and 76.

Group non-financial information statement

The table below is intended to help our stakeholders understand our position on key non-financial matters 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 24 to 29.
Employees	Nomination Committee report	More in Book two, pages 67 to 70.
	Risk management	More in Book two, pages 50 and 76.
	People and Culture	More in Book two, pages 10 to 16.
Social matters	Communities	More in Book two, pages 30 to 32.
Human rights	Responsible Business Practices	More in Book two, pages 33 to 35.
Anti-corruption and anti-bribery	Principal risks and uncertainties	More on pages 43 to 48.
	Doing Business the Right Way	More in Book two, page 34.
	Compliance, whistleblowing and fraud	More in Book two, page 50.
Description of principal risks and impact of business activity	Principal risks and uncertainties	More on pages 43 to 48.
	TCFD statement	More on pages 49 to 57.
	Section 172 statement	More on pages 58 to 64.
Description of the business model and the Science-based Customer Excellence Advantage	Our business model	More on pages 14 to 23.
Key performance indicators	Financial KPIs	More on pages 24 and 25.
	Non-financial KPIs	More on pages 26 and 27.

The Strategic Report was approved by the Board on 27 February 2023.

On behalf of the Board

André Lacroix
Chief Executive Officer



Printed by a CarbonNeutral® Company certified to ISO 14001 environmental management system.

Printed on material from well-managed, FSC™ certified forests and other controlled sources.

100% of the inks used are HP Indigo ElectroInk which complies with RoHS legislation and meets the chemical requirements of the Nordic Ecolabel (Nordic Swan) for printing companies, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

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.

Designed and produced by **emperor** 
Visit us at **emperor.works**



Total Quality. Assured.

Intertek Group plc
33 Cavendish Square,
London, W1G 0PS
United Kingdom

Tel +44 20 7396 3400
info@intertek.com
intertek.com