Annual Report Addendum

For the year ended December 31, 2025

This document is attached as an addition to the 2025 Veriforce Annual Report

Principal Risks and Uncertainties:

Principal risk	Definition and sources of exposure	How it is managed
Acquisition execution and integration Strategic link: M&A; financial strength	Risk that acquisitions do not deliver expected returns due to slow integration, loss of key staff, or loss of customers. The exposure is the acquisition-led strategy in all divisions.	Board approval of material deals; financial, commercial, technology and cyber due diligence; integration plans with named owners, reported to the Board; retention arrangements for key personnel.
Customer retention and competition Strategic link: customer trust; organic growth	The risk that hiring clients or contractors do not renew or move to competitors. The exposure is that over 90% of revenue is recurring, from annual evergreen and multi-year subscriptions, and that contractor subscriptions depend on hiring clients continuing to require prequalification.	Account management and service reviews for key clients; retention and churn tracked monthly; continued platform investment to increase the strength of our product offering, and the network effect of the combined contractor and client community.
Cyber security and data protection Strategic link: customer trust	The risk that a cyber-attack or data breach disrupts our platforms or exposes client, contractor or worker data. The exposure is the volume of sensitive data we hold, which clients use for safety-critical decisions, together with acquired businesses running separate systems and our reliance on third-party suppliers.	Information security program aligned to ISO 27001 / SOC 2; layered technical controls and regular penetration testing; cyber due diligence and integration plans for acquisitions; staff training; tested incident response plan; cyber insurance; regular reporting to the board via ISMT.
Regulatory and legal compliance Strategic link: customer trust; organic growth	The risk of breaching laws in the markets where we operate, or that regulatory change reduces demand for our services. The exposure is data protection, anti-bribery and sanctions law across UK, US and other relevant markets, and services that depend on industry standards and schemes.	Group legal & compliance and technical functions, supported by external advisers; monitoring of regulatory change; Group policies with annual training; compliance review in acquisition due diligence.
Technology and platform resilience Strategic link: customer trust; organic growth	The risk that platform outages or failed technology change affect service or competitiveness. The exposure is clients' day-to-day reliance on our platforms, and the complexity of running multiple platforms inherited through acquisitions.	Board-approved platform roadmap; cloud hosting with tested disaster recovery; service monitoring and change management; platform consolidation program.

The Board's approach to risk oversight

The Board is responsible for the Group's risk management and internal control systems and sets its risk appetite. Risks are identified divisionally and through the Board's own review of strategy and the external environment, including emerging risks. The ISMT reviews the cyber and data risks monthly and carries out deep dives on selected principal risks, including cyber security, as they emerge or are necessary. The CEO receives monthly updates on emerging and escalating risks and the principal risks are reported to our board.

The Board considers risk and opportunity together. Its annual strategy review, regular reviews of the acquisition pipeline, and reporting on client retention and product use help it identify growth opportunities. Changes in regulation can also increase client demand for our services. The Board preserves value by managing principal risks within appetite, investing in cyber security and platform resilience, and keeping the governance and culture that maintain client trust.

Non-financial key performance indicators:

The Board monitors a range of non-financial KPIs alongside the Group's financial performance. Two key non-financial KPIs include employee engagement and employee retention.

Employee engagement: The Group's employee Net Promoter Score (eNPS) was +21 in August 2025, compared with +9 in March 2025 (when we reported as two separate Companies). Participation in the August global employee survey was 64%.

Employee retention: The Group monitors voluntary employee attrition as a key indicator of workforce stability and its ability to retain talent and organisational capability. At the November 2025 reporting point, rolling 12-month voluntary attrition was 12.5%, with total employee attrition of 18.0%.

The group has various other non-financial KPIs, mostly surrounding commercial performance. Under the Walker Guidelines requirement to 'comply' or 'explain' the company notes that it deems the disclosure of these metrics as being commercially sensitive and they are therefore not included in the Annual Report.

Environmental Matters:

Veriforce manages climate-related matters through its wider ESG governance framework, with executive and Board-level oversight supported by the Legal, Compliance and Sustainability functions. Climate-related risks and opportunities are identified through a risk-based approach and incorporated, where applicable, into the Group's wider management systems and sustainability planning.

The principal climate-related risks considered include **transition risks**, such as evolving regulation, carbon-related requirements, changing customer and investor expectations and the transition to lower-carbon operations, as well as **physical risks**, including extreme weather and potential disruption to offices, infrastructure and supply chains. Key opportunities include improving energy and operational efficiency, increasing renewable energy use, reducing emissions associated with travel and transport, and working with suppliers to reduce value-chain emissions.

Climate-related risks and opportunities arise through areas including energy use, business travel, employee commuting, procurement and the wider supply chain, as well as evolving regulatory, customer and investor expectations. The Group is developing its climate and net zero governance arrangements with Planetmark through the production of a Net Zero Transition Plan (NZTP), so that climate considerations are increasingly incorporated into business decision-making, risk oversight and resource allocation. This is due for completion in early 2027. These risks and opportunities inform Veriforce's carbon reduction and sustainability priorities and continue to be reviewed as regulatory, investor, and business requirements evolve.

2025 was the first full reporting year for the consolidated Veriforce Group carbon footprint following the combination of the legacy businesses. Veriforce has separately completed a SECR-aligned assessment covering all of its UK operations for the year ended 31 December 2025. The priority for the year was therefore to establish the first complete Group-wide carbon footprint, providing a robust evidence base from which consolidated decarbonization targets and a Group NZTP could be developed. The proposed targets will be reviewed internally and approved at executive level before the consolidated transition plan is finalized. The transition plan is intended to establish appropriate Group-level reduction targets, governance and accountability and prioritized decarbonization actions across Scope 1, Scope 2 and material Scope 3 categories, with regard to recognized transition-planning good practice, including the principles of the Transition Plan Taskforce framework.

For the UK reporting boundary, total energy consumption from the mandatory reporting sources was **2,437,890.3 kWh**. UK Scope 1 emissions were **174.0 tCO_2e** and Scope 2 emissions were **2.2 tCO_2e on a market-based basis and 95.3 tCO_2e on a location-based basis**. Mandatory Scope 3 grey fleet emissions were **307.8 tCO_2e**. Total emissions from the mandatory reporting sources were therefore **484.0 tCO_2e market-based and 577.0 tCO_2e location-based**.

The corresponding intensity measure, based on 815 UK employees, was **0.59 tCO_2e per employee on a market-based basis and 0.71 tCO_2e per employee on a location-based basis**.

The assessment was prepared by Planet Mark using the Greenhouse Gas Protocol methodology, with UK emissions and conversion factors taken from the **2025 Department for Energy Security and Net Zero (DESNZ) factors**. During the reporting year, all Veriforce UK offices used **100% renewable electricity**, and **41.2% of the overall vehicle fleet consisted of EVs or PHEVs**.

In parallel, Veriforce completed its first comprehensive **global** carbon footprint covering the UK, USA, Canada, Belgium, South Africa, Lebanon and Australia. This measured **8,960.0 tCO_2e market-based**, consisting of **228.6 tCO_2e Scope 1, 277.5 tCO_2e Scope 2 and 8,453.8 tCO_2e Scope 3**. This broader global measurement should therefore be distinguished from, but is consistent with, the UK-only SECR reporting boundary.

2025 was the first year in which the consolidated Veriforce Group measured its complete Scope 1, Scope 2 and Scope 3 carbon footprint. The absence of detailed climate-related disclosures from the original report should therefore not be interpreted as an absence of climate measurement or governance activity – the company is still developing its reporting processes.

For 2025, total Scope 3 emissions were **8,453.8 tCO_2e, representing 94.4% of the Group's total market-based carbon footprint**. The principal source was Purchased Goods and Services at **5,854.0 tCO_2e (65.3%)**, followed by Employee Commuting at **1,029.9 tCO_2e (11.5%)** and Business Travel at **817.7 tCO_2e (9.1%)**. Other measured categories included Capital Goods, Fuel and Energy Related Activities, Upstream Transportation and Distribution, Waste and Franchises.

The 2025 carbon inventory provides the evidence base for identifying the Group's material emissions sources and prioritizing reduction opportunities. In particular, the predominance of Scope 3 emissions means engagement with suppliers and other value-chain stakeholders will be central to the developing decarbonization approach.

People and employee engagement:

Employee engagement is central to the success of the business and informs the Group's priorities, culture and future direction. The Directors have established a range of formal and informal mechanisms through which employees can receive information, provide feedback, contribute their views and engage with leaders throughout the year.

The Group regularly seeks employee feedback through global engagement and pulse surveys, supported by regional and functional analysis and action planning. The 2025 global engagement survey was delivered through Leapsome and provided managers with direct access to their results and functional heatmaps so that feedback could be understood and acted upon at team level. A further pulse is also run, with feedback covering culture and teamwork, development, flexibility, communication and transparency, reward, recognition, workload and management.

The Group maintains regular communication with employees through quarterly Global Town Halls, supplemented by regional and functional Town Halls and team briefings. The global sessions provide employees with updates on the health and performance of the business including financial and economic factors, strategic and commercial priorities, product and technology developments, people matters, and other factors affecting the Group. The Group has also sought employee feedback specifically on the Town Hall format, including what information employees value and what they would like to hear more about.

Town Halls are designed to support two-way dialogue rather than solely top-down communication. Employees can ask questions through Town Hall Q&A, with the intention that questions are published and addressed wherever practicable. This is complemented by CEO and leadership roadshows, local employee meetings, annual conferences and other leadership engagement throughout the year. Recognition and involvement in the performance of the Group are also embedded within the employee experience and are celebrated in both town halls and similar employee meetings.

Through these mechanisms, the Group seeks not only to keep employees informed, but to help colleagues understand how the business is performing, the financial, economic and market factors affecting performance, the Group's strategic priorities and how their individual and collective contribution supports delivery of those priorities. Employee feedback, both formal and informal, is reviewed by leaders and used to identify areas for action and informing business priorities and decision making in both the immediate and long term. Key areas of feedback impact are on organizational changes and business development initiatives.

Recruitment, training, and development:

The group has focused on training and developing its employees with a focus on internal mobility. 39% of hires during 2025 were internal moves, reflecting the Group's focus on career development and building capability from within. The company also engages in management training at various levels of the organization, starting with the executive leadership team and cascading through to all levels of management to ensure our workforce is highly trained and highly effective. For roles that cannot be hired internally, the group has both internal and external recruitment teams so that we can locate and acquire key talent.

Engagement with customers, suppliers and other business relationships:

The Group is not required to make a statement under section 172 of the Companies Act 2006. However, the directors have had regard to the Group's key business relationships in their decisions during the year. The Group seeks to operate fairly and responsibly in all commercial dealings and aims to maintain mutually beneficial long-term relationships. Customer feedback, service performance measures and supplier engagement are regularly reviewed by management and the directors. When making decisions, the directors consider the potential impact on service quality, customer satisfaction, and the reliability of the Company's supply chain.

Customers. The majority of our company's revenue is recurring, so retaining customers is central to long-term success. The Group engages our customers through account management, regular service reviews with key clients and customer satisfaction surveys. Retention and churn are reported to the Board monthly, and customer feedback informs product investment priorities.

Contractor network. Contractors are customers in their own right, and the breadth and quality of the network underpins the value the Group delivers to hiring clients. The Group engages with contractors through support teams, webinars, client events, and feedback surveys, helping them demonstrate compliance and win work. Contractor feedback is used to simplify the compliance process and improve the platform.

Suppliers. Key suppliers, mainly technology and hosting providers, are subject to due diligence, including information security and modern slavery requirements.

Lenders. The Group gives lenders regular financial reporting and quarterly covenant compliance certificates, and keeps them informed of strategy and funding needs.