
CENTERPRISE INTL HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

Principal risks and uncertainties

The group operates a risk management framework designed to minimise its exposure to financial risk. This framework is underpinned by rigorous governance, ensuring decisions on financial risk are made at the appropriate level.

Economic and political disruption

The UK economy continues to be challenged by minimal growth, which has given rise to businesses delaying decisions to invest in new technology. Furthermore, the Government continues to apply significant scrutiny to public sector spend, which is restricting opportunities within the public sector. Geopolitical matters in the Middle East, eastern Europe and the US present myriad issues ranging from escalating costs to supply chain resilience. Despite these challenges, the group continues to perform well financially. Our continued investment in transformative technology has increased our relevance to existing and prospective customers.

Profit margin pressure

The group continues to invest in increasing its technical capability and sales competence to more readily sell services and reduce its dependency on the reselling of products and services. This is helping the group compete for larger scale service contracts and is improving profitability on success. The group is highly focused on making service-based revenue a significant proportion of its turnover to assist with offsetting the impact of the downwards pressure on product margins. Moreover, expanding our portfolio of services will provide customers with more options for doing business with the group. Whilst evidential gains are being made with this approach, the directors anticipate this transition continuing over several more financial years. Practices of constant price monitoring, aggregated buying and ongoing market research are being applied to further increase the company's competitiveness and profitability.

The technology advances made in the IT industry outpace most other industries. The directors are therefore committed to research and development and view it as being an enabler to ensure the group remains relevant in an ever-changing market.

Retaining our people

The growth within the IT industry means there is no longer sufficient talent within the IT industry to service it. The consequent impact of this being companies are seeking to poach talent from one another, which has led to salary inflation across the sector. The group is actively pursuing the building of an AI practice to assist with internal productivity gains and the development of go to market expertise and solutions in this rapidly evolving area of technology.

We continue to foster a culture that puts people at the centre of our decision making. We strive to make our people feel valued by investing in their personal and professional development. This approach combined with a continuous engagement improvement plan has allowed us to create a retention rate that is largely unrivalled across the IT sector. Our staff turnover rate sits at 16.0% against an UK IT industry average of 34.2% (CIPD data published Jun 24).

We deploy a range of well-established employee engagement strategies, which are augmented by further initiatives designed to address external factors — such as cost of living challenges. Examples of such follow.

- A programme of social events planned and executed across the year to build camaraderie and help foster a sense of belonging.
- A peer recognition scheme that publicly acknowledges individuals who are living the group's core values.
- A workplace pension scheme that empowers individuals to take control over their investment by providing access to dynamic online services via a mobile app and ready access to a pension advisor.

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**GROUP STRATEGIC REPORT (CONTINUED)
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Principal risks and uncertainties (continued)

- The group's share scheme recognises both long and meritorious service. This scheme enables individuals to share in the success of the group without any risk to their investment. This is a powerful tool to engender loyalty and commitment.
- Individuals are encouraged to 'give back' to the community through a fully paid volunteers' day. This, along with our extensive fund-raising activities and sponsorship of several community outreach programmes, allows our individuals to connect with the community within which they work.
- Two well-being days are afforded to each employee per annum, which they can utilise to recharge without eating into their annual leave.
- Our pay and conditions are in line with the most favourable offered across the industry. Individuals who 'go above and beyond' are rewarded with a discretionary bonus. Loyalty demonstrated through long service is rewarded through a generous bonus structure.

Financial risk management objectives and policies

Price risk

The group will only enter a transaction with a customer on the basis of fixed, pre-agreed terms from Suppliers and consequently is not exposed to price risk. The group does forward buy from suppliers to protect itself and customers from notified price increases.

Exchange rate risk

The group operates in a market in which changes in exchange rates are rapidly reflected in the market price for the imported product it sells. As such, long term hedging of all currency is inappropriate. However, the group hedges its short-term exposure to this risk through several methods; by building some sterling depreciation into its estimated cost price and by holding cash balances in foreign currencies that match current commitments.

Credit risk

The group operates several policies and procedures designed to mitigate credit risk. In particular, before opening an account for a new customer a credit review will take place to determine whether or not, in the opinion of management, the customer has the ability to meet its debts as they fall due. External agencies are consulted as a part of this process. Consequently, the group will only conduct business with customers deemed to be creditworthy. In addition, the group has in place insurance policies to cover the risk of default by its customers, as well as ongoing credit limits and collection procedures to manage day to day exposure.

Liquidity and cash flow risk

The group operates a range of policies to ensure there is sufficient liquidity and cash to meet its liabilities as they fall due. Cash flow forecasts are undertaken to monitor the cash position and to determine the liquidity of the group. Management then ensures that there are ample liquid funds available to ensure that there no risk of the group being unable to pay its debts as they fall due.

Director's duties to stakeholders (Section 172(1) statement)

The directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

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

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**GROUP STRATEGIC REPORT (CONTINUED)
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Director's duties to stakeholders (Section 172(1) statement) (continued)

The directors of the group have sought to balance the needs of its members with the s.172 matters throughout the year, by ensuring the group's core values are upheld to promote our culture and instil the desired behaviour in our employees. A peer recognition scheme is in place to recognise and reward individuals who live the values well. This is an obsession and one that ensures the group's reputation for high standards of conduct are maintained throughout our engagement with employees, customers and suppliers.

The directors of the group have a duty to promote the success of the group. This is achieved through effective internal and external communications. The group solicits feedback from all its stakeholders and has a rigorous practice in place to resolve any identified shortfalls quickly. We take pride in our transparency and genuine desire to make a difference in the communities within which we operate. This intent is summed up by our vision: 'to create a lasting positive legacy by working ethically to help our customers tackle real-life issues affecting society' and our strong conviction to Environmental, Social and Corporate Governance (ESG). The focus provided through our vision and our embracing of ESG combine to make Centerprise Intl Holdings Limited a rewarding group to work with and work for.

Engagement with employees

We engage with employees through a monthly newsletter, quarterly briefs, guest speaker events and ad hoc communications in response to events. When we are seeking to make a change that will impact our employees, we canvass their feedback via surveys and communicate the intended outcome before making the change. We promote transparency on our business operations by encouraging employees to be inquisitive and question what they do not understand.

We invest in our people through formal and on the job training. We encourage individuals to focus on their strengths and the strengths of their colleagues. We do not tolerate discrimination in any form and create awareness of the standards expected through mandatory online training modules covering, among other topics: equality and diversity, business ethics and modern slavery.

The group strives to enhance employee health, safety and wellbeing. We maintain an ISO 9001 certified Quality Management System and a comprehensive set of policies and procedures to safeguard our employees and guide their behaviour. We promote physical and mental wellbeing by running mental health workshops and have introduced a wellbeing AI platform that offers individuals access to a rich library of NHS-approved resources to help them determine the best course of action for their situation under the security of anonymity.

Employees are invited to join an EMI scheme that enables them to emotionally invest in the group and share in its prosperity. Those who participate receive an annual dividend and their investment is underwritten by the group to the extent that they are guaranteed to receive at least their original investment back should they sell their shares.

We run monthly social events for all members of staff which helps build personal relationships and underpins our 'family-based' culture. We recruit against our core values, which further strengthens the emotional connection between employer and employee through the alignment of individual and organisational value systems.

We actively seek to drive workforce diversity and inclusion through our recruitment effort. This ensures our workforce is representative of society and allows the group to benefit from skills, experience and teaming behaviours shaped by UK and non-UK educational systems.

We have fully embraced hybrid working, ensuring our employees benefit from a strong office-based work culture whilst affording them the flexibility of being able to work remotely and independently.

Disabled Employees

We are committed to harnessing the talent of our employees with disabilities and those who develop disabilities during their employment with the business. We respond to and support specific needs, applying reasonable adjustments where required and appropriate.

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**GROUP STRATEGIC REPORT (CONTINUED)
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Director's duties to stakeholders (Section 172(1) statement) (continued)

We see the benefit of having a diverse workforce and our recruitment approach is to give fair consideration to disabled and neurodiverse candidates, and those with health conditions and impairments.

We adopt a company-wide approach to training management and employees, which underpins the awareness of managing and supporting disabled and neurodiverse employees.

Engagement with suppliers, customers and others in a business relationship with the group

Suppliers

The relationship with our suppliers commences at on boarding during which time we ensure the appropriate accreditations, certifications, standards and behaviours are in place. We work hard at building and fostering relationships with our suppliers. We attend regular business reviews with our strategic suppliers and ensure that strong relationships are held across each function and level of business.

Customers

We pride ourselves at Centerprise on our customer centricity. We maintain a high level of customer satisfaction through the adoption of a 'can do' attitude, ensuring we act as an extension of our customer's team. We undertake service management reviews with our managed services customers and meet regularly with all our key customer accounts to discuss how we can improve. The group is constantly looking at new ways to overcome our customers' business challenges and we work hard to challenge ourselves to provide thought leadership. We communicate to our customers through a monthly newsletter, social media posts, regular account reviews and online seminars.

Others

Communicating with public sector procurement authorities, technical leadership organisations and influential industry media outlets enables us to understand the market and influence the thinking of policy makers. We achieve this through giving interviews, attending forums, writing articles and responding to requests for information.

Carbon disclosures

Based on the SECR criteria and meeting two of the three requirements, the company is required to report our energy use and the associated greenhouse emissions.

Reporting period

The company is reporting for the financial year 2024/25 and has provided data for financial year 2023/24 for comparison purposes.

Energy and carbon strategies

As part of our commitment to be transparent in ensuring that we meet our obligations to both our ISO Standards and the Environmental best practices, we have continued to monitor our emissions for Scope 1 and 2 emissions.

Scope 1 - Direct

- Fleet vehicles
- Generator
- Gas

Scope 2 - Indirect

- Electricity
- Airconditioning

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**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

Energy and carbon strategies (continued)

As our data gathering is maturing, we anticipate that further refinements can be achieved in the data capture of all the Scopes (1,2 and 3). The following table summarises our energy performance results based on Scope 1 and 2.

	2024/2025	<i>2023/2024</i>
Carbon Footprint (tCO2e)		
Energy Footprint		
Scope 1	161	<i>179</i>
Scope 2 (Market Based)	4	<i>4</i>
Scope 3 (Grey Fleet)	39	<i>39</i>
Quantity of UK energy consumed (KwH)	1,741,204	<i>1,488,635</i>
Headcount	232	<i>225</i>
Intensity ratios (tCO2e per person)	0.90	<i>0.81</i>

Energy Efficiency and Carbon reduction Achievements FY 2024/25

The business has continued with the hybrid working environment allowing staff to work remotely 40% of the time, reducing the office commuting by 60%.

The continued investment in virtual meeting technology has been fully embraced by the staff, which has significantly reduced emissions caused by travelling to conduct physical meetings. Where this cannot be achieved, car sharing is promoted to minimise the impact on the environment. Staff also have access to EV Pool cars at our operational sites.

This financial year saw:

- The continued rollout of EV Charging Points (Welsh site) to allow employees with fully electric or hybrid vehicles to charge them on site.
- The continued replacement of ICE company cars with EV equivalents
- Continued hybrid working practices to reduce commuting emissions.
- Continued engagement of 3rd party support in validating our carbon data capture to ensure accuracy of the figures submitted.
- Installation of solar panels to our warehouse at our Basingstoke site, which significantly reduced our electricity demands.

As part of our Carbon Reduction Plan, we intend to deliver the following carbon reduction initiatives in FY 2025/2026.

- Electric Vehicles – Replace end of life petrol/diesel fleet vehicles with electric vehicles.
- Renewable Energy – Investigate the installation of additional solar panels on the new building in Wales.
- Carbon Reduction Plan - Working with Strategic Partners to capture and reduce the Scope 3 Cat 11 emissions (Use of Sold Products)
- Freight Carriers - Review freight carriers with a view to only working with companies who are actively seeking to reduce carbon emissions.
- Continue with the hybrid working practices to reduce commuting emissions.
- Continue to engage 3rd party support in our carbon data capture to ensure independent validation of the figures submitted.
- Increase our service catalogue to include refurbishment of 3rd party hardware devices, helping to improve our sustainability goals by reducing e-waste and contributing to the circular economy.

This report was approved by the board on 25/2/2026 and signed on its behalf.

Rafi Razzak
Mr R A A Razzak
Director