



Laser-focused on delivering our customer- centric approach

Introduction

- 04 SThree at a glance
- 08 Chair's statement
- 10 Chief Executive Officer's statement
- 16 Market overview
- 18 Our business model

SThree at a glance
Group performance highlights in 2024

Delivering on our 2024 ambitions

Our strategic focus on Contract underpinned the Group's performance in the challenging market, where conditions have had an ongoing impact on new business activity throughout the year.

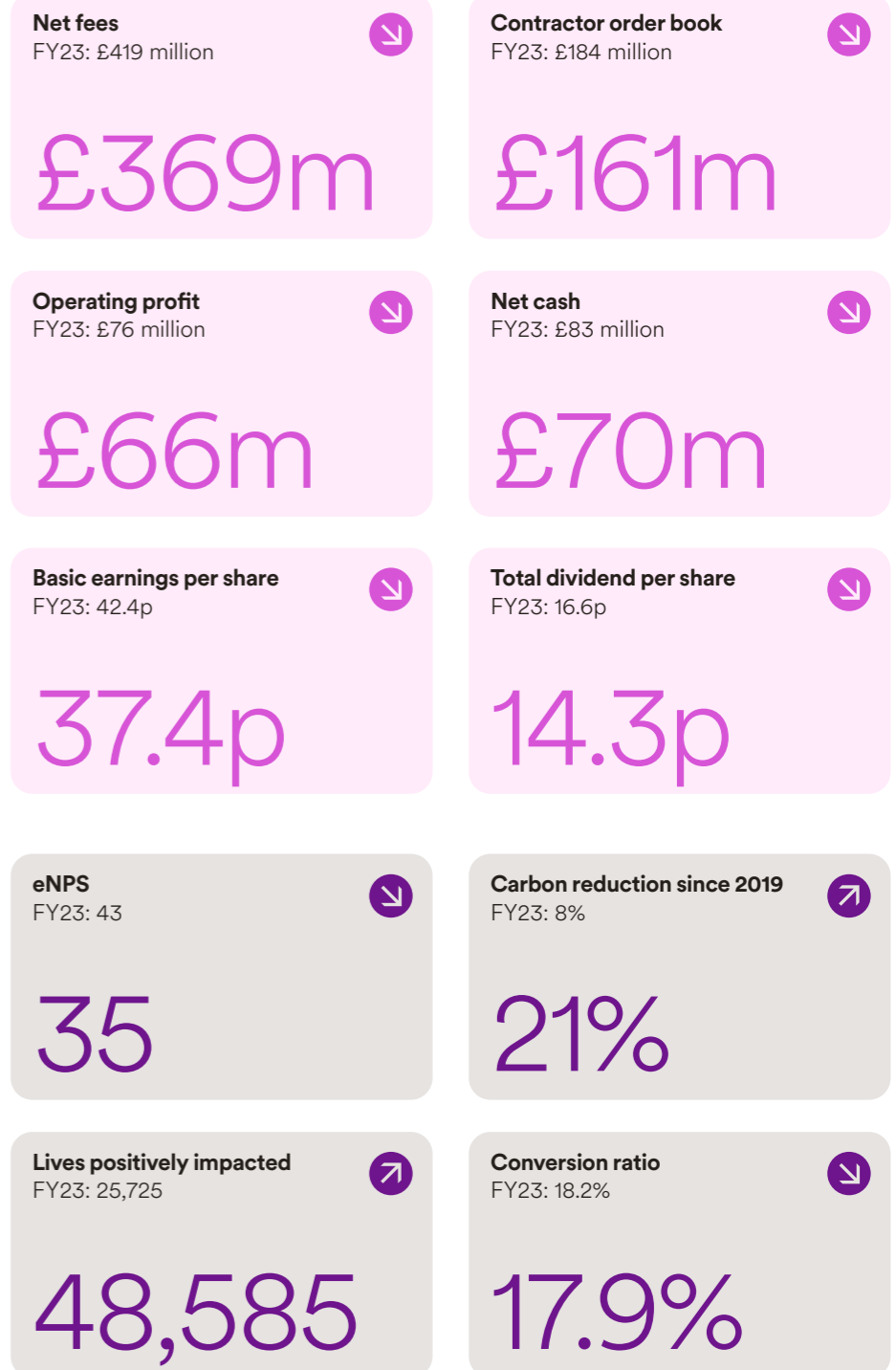
Whilst we look forward to the easing of the macro environment, our strategy focused on STEM and Contract and significant operational enhancements achieved through the Technology Improvement Programme, provide us with a resilient and financially robust foundation to deliver our future growth.

Timo Lehne
Group CEO

[Further reading: CEO's statement, pages 10 to 15.](#)

A performance underpinned by our strategic focus on Contract and in line with expectations, following prolonged suppression of market conditions.

Financial highlights¹



Progress on our FY24 ambitions

[Further reading: Key performance indicators, pages 26 to 29.](#)

1. The Group also uses alternative performance measures (APMs) to help explain its business performance. Further information on APMs, including a reconciliation to the financial statements (where appropriate), can be found on pages 210 to 211.

How we deliver

The strength of the Group derives from our clear purpose



+ Further reading: CEO's statement, pages 10 to 15.

The markets we serve

We deliver our purpose and strategy across 33 offices in 11 countries grouped into the following reportable segments:

Reportable segment name	Countries included	Net fees (% of Group)	Recruitment consultants
DACH	Austria Germany Switzerland	£127m (35%)	668
Netherlands (including Spain)	Netherlands Spain	£79m (21%)	324
Rest of Europe	Belgium France UK	£61m (17%)	354
USA	USA	£82m (22%)	325
Middle East & Asia	Japan UAE	£20m (5%)	192

+ Further reading: Business review, pages 44 to 53.

Key competitive advantages

Through strategic focus on STEM and flexible talent, and empowered by deep knowledge of our candidate specialisms and client needs, we drive our business towards long-term growth in value.

Focus on STEM

Significant market potential

SThree operates in some of the world's largest STEM markets: the USA, Germany, the Netherlands, the UK and Japan. Across all five markets, we have strong positions, but a relatively small market share. This offers us a significant opportunity for growth.

c.2%

Our share of STEM market in our top five countries

Global house of STEM specialist recruitment brands

Each of our brands brings expertise in specific sought-after skills within science, technology, engineering and mathematics. We know how to achieve the goals of STEM professionals and the organisations that need them.

1,863

Recruitment consultants

+ See Strategic progress: Places, Platform for more information on page 30.

Cash generative business

Strong financial position

Recurring revenue dynamics of our Contract business drive sustainable free cash flows. Supplemented by the £50 million Revolving Credit Facility (RCF), undrawn at the year end.

£70m

Net cash

Regular dividend

We offer shareholders dividend in line with our dividend cover policy, which is currently within the range of 2.5x to 3.0x of our annual earnings.

14.3p

Total dividend per share

+ See Chief Financial Officer's statement for more information on page 40.

Driving sustainable value

Investing for future growth

Our capital allocation policy, supplemented by the Group's financial strength, provides strategic flexibility to pursue value-enhancing opportunities when they arise.

£35m

Current Technology Improvement Programme to increase our productivity

Well-considered ESG strategy

Long-term commitments to the environment and society aim to deliver positive outcomes for all our stakeholders and contribute towards the UN Sustainable Development Goals (SDGs).

163,028

Number of lives positively impacted since FY19

+ See Our commitment to being a responsible business for more information on page 60.

Chair's statement
James Bilefield

Delivering a resilient performance

The past year has been another difficult one, as the market backdrop within which the Group has been operating remained challenging. While it has been a tough couple of years for the industry, our people and clients, we have delivered a resilient performance in line with market expectations, supported by our Contract and STEM-focused business model, of which we are proud.

The Board and I appreciate the efforts that have been made by our teams around the world to deliver these results. My thanks go to every member of our team as their hard work, dedication and skill have been instrumental in driving the business forward this year. I would also like to express thanks to our shareholders and other stakeholders for their ongoing support during this challenging period as we continue to strive to deliver growth and shareholder value over the mid-to-long term.

Our unique strategic focus on STEM skills and flexible talent continues to underpin our overall performance, supported by the global megatrends that are driving demand for workers with these specialist skills. This gives us confidence that we are in the right markets and focusing on the right sectors where we can make a real difference, drive growth and increase market share.

In line with the Group's capital allocation policy, the Board is proposing a final dividend at 9.2 pence per share this year. This, combined with the interim dividend of 5.1 pence per share, gives the total dividend for the year of 14.3 pence per share. We remain committed to maximising shareholder value while ensuring effective and pragmatic capital allocation across the Group that allows us to deliver growth in net fees and margin, maintain a healthy balance sheet, invest in our people and technologies and grow through acquisition, should we find the right opportunity to do so.

Post-period end we were pleased to announce the launch of a share buyback programme of up to £20 million to reduce the share capital of the Company; we consider this to be in the best interests of the Company and its shareholders, returning surplus capital to shareholders while maintaining the financial flexibility to invest in the Group's strategy.

In spite of the challenging market dynamics and political change in some of our key markets, the Group has taken great steps forward towards its long-term growth strategy. While cognisant of the market backdrop, we have remained disciplined in our continued investment in our teams, technology and places of work to ensure we are in the best position possible to seize the opportunity as the market improves.

Having had the pleasure of being able to catch up with colleagues in our offices around the world throughout the year, one thing that has clearly shone through is the real sense of pride and community across SThree; something Timo has been instrumental in delivering. April 2025 will mark his third anniversary as Chief Executive Officer of the Group and his clarity of vision and drive are bearing fruit in the form of early signs of benefits from our Technology Improvement Programme, industry recognition and improved staff retention and talent acquisition.

The new leadership team established in the US has had a positive impact and we are confident in the people and platform we have in place to seize our clear opportunity in the region as market sentiment improves. The team there has a clear sense of direction and the opportunities for us are large. Similarly, the Executive Committee has been performing very well and is delivering for the Group. The stability and obvious trust between each member of the Committee is filtering across the business and helping drive the Group forward.

Our Technology Improvement Programme is hugely exciting and is positioning us at the forefront of the industry with a roadmap to deliver cutting edge, Artificial Intelligence (AI)-enhanced tools to our teams. In what is a major achievement, I am pleased to say that the roll-out continues on track and on budget, with around 80% of our team now successfully onboarded and actively using the platform. As a result of the programme, we are starting to see efficiencies across the business, from Placement Support, Payroll and our internal support teams. These benefits are already having a tangible impact, and we look forward to talking further to them in the future.

Our strategy, focused on STEM and Contract talent, and our underlying performance have seen us earn recognition across the industry. Being named a 'great place to work' in Belgium, Japan and the Netherlands is testament to the culture in our offices around the world. I am delighted that this culture, coupled with our focus on STEM, is also creating opportunities for us in the recruitment market, with an increase in experienced hires being made across the Group.

Alongside our people and platform, we have also invested in our offices around the world, including the opening of our new headquarters in London. We are striving to be seen as an employer of choice in our industry and this investment comes in conjunction with our efforts to boost the time our teams spend with clients, both physically and virtually, compared to recent years as we are committed to remaining close to the market.

We remain committed to our pledge to be a responsible and sustainable employer and ESG considerations remain embedded within our strategy. We were proud to be named in the Financial Times' list of Europe's Climate Leaders 2024 and Time Magazine and Statista's World Best Companies for Sustainable Growth, in what we see is a clear indication of our dedication to the environment and a greener economy.

We were delighted to welcome Sanjeevan Bala as a Non-Executive Director to the Board in April 2024. His expertise in customer-centric technology and AI transformation has been invaluable and he has made an immediate contribution to the business. In H2 FY24, the Board commissioned an external Board evaluation to benchmark on various levels. I am pleased to report that the results were extremely positive, with the Board's effectiveness, impact and general governance all being highlighted. I would like to thank the whole Board for their hard work and commitment this year and look forward to continuing to build on this in the period ahead.

In 2019, we set ourselves some ambitions to strive for by the end of 2024. While we did not anticipate Covid-19 and the subsequent challenging market backdrop of the past two years when setting the ambitions, looking back I believe we have done a good job in executing against them.

Looking ahead, whilst FY25 is set to see challenging market conditions persist, I believe there is a lot to be excited about. We are of the view that the recruitment industry will change more in the next five years than it has in the last 20, driven by effective implementation of technology. We have led the industry in harnessing the latest tools available and see this head start as an opportunity for us. This technological advantage, coupled with our strategic focus on STEM and Contract mean we are well placed to grow once the market backdrop improves.

James Bilefield
Chair
27 January 2025

[+ Further reading: Strategic progress, pages 30 to 39.](#)

Delivering the power of talent

The strength of the Group's operating model and differentiated STEM value proposition has been demonstrated this year with a resilient financial performance in a prolonged challenging market environment.



The Group has grown from a heritage of doing things differently and embracing opportunities arising from a changing world.

Timo Lehne
Chief Executive Officer

Basic earnings per share
FY23: 42.4p

37.4p

Net cash
FY23: £83m

£70m

Despite softer trading conditions, which have persisted longer than market participants predicted, the Group was able to withstand the external pressures of this extended cycle through FY24, delivering a financial result in line with expectations. Notwithstanding the trading environment, we have taken the time to strengthen our position for future growth, making meaningful progress in line with our technology and operational enhancement plans.

Our unique business model is rooted in our conviction that the future of work is flexible STEM talent. The Group has grown from a heritage of doing things differently and embracing opportunities arising from a changing world. As industries evolve and shifts in labour markets unfold, driven by the forces of global megatrends, we have acted early and decisively to position our business at the centre. It is this pioneering ethos that continues to govern our evolution today. We proactively took the important step over two years ago to initiate a journey to become a digitally-enabled business through our Technology Improvement Programme (TIP), setting us on a path to be a fitter, more scalable organisation.

Contract and STEM provided resilience in uncertain markets

This year we have connected over 12,150 highly skilled STEM professionals to their next career role, which we facilitate through our unique combination of niche vertical focus and operational scale. As a STEM partner to our customers in diverse

markets and sectors, we uncover the scarce, highly skilled STEM specialists needed to power their businesses.

We deliver this through an adaptable suite of solutions, whether that be Independent Contractors, Employed Contractors or Permanent placements, coupled with a best-in-class consultative service wrapper. Our strategic focus on flexible talent (representing contract, part-time specialists and project-based teams) now contributes 84% to Group net fees, and is aligned to the needs of our clients and preferences of our candidate communities.

As widely reported across regions and industries, the market backdrop over the year has been characterised by economic weakness coupled with geopolitical uncertainty, with a notable impact on client confidence. With the protracted length of this uncertainty, we believe this has contributed to a rise in status quo bias on the part of decision-makers, exacerbating an ingrained preference for stability and inhibiting investment decisions which could otherwise be beneficial in the longer-run.¹ This heightened, broad resistance to change is resulting in delayed decision-making in the short-term.

The result of this can be seen in softer new placement activity as clients put on hold investment initiatives, particularly acute in permanent roles. This has resulted in net fees for the year of £369.1 million, down 9% YoY on a like-for-like basis, which, together with prudent cost control, delivered an operating profit of £66.2 million.

Our bias toward flexible talent underpinned our resilience in the year, providing a visible runway of monthly-recognised Contract net fees in the form of a contractor order book. Whilst Contract extensions continued to be robust through the year, reflecting the desire of our customers to retain key STEM skills, persistently weak new business activity meant that new business did not outpace the rate of Contract finishers, resulting in the contractor order book declining 10% YoY. Despite this, our Contract focus continues to provide sector-leading net fee visibility of £161.3 million, equivalent to around four months of net fees.

Embracing change and aligning to structural opportunity

The unprecedented speed of adoption of new technology is taking hold across industries and we are starting to see this shaping business leaders' views of the skillsets they need. The reported productivity gains and growth potential enabled through Artificial Intelligence (AI) adoption is in turn changing the skills sought by employers.² As we have reported in our own research (*How the STEM World Works*), AI is no longer the spectre that threatens job security; it is the catalyst for unprecedented growth. Crucially, it has been shown that AI is often performing best in collaboration with people, and that "the biggest performance improvements come when humans and smart machines work together."³ We believe this to be particularly acute in highly complex roles, a view which is supported by industry experts.⁴ It is these specialist markets where we focus, and which require experts to find and place.

1. online.wharton.upenn.edu/blog/status-quo-bias/

2. www.pwc.com/gx/en/news-room/press-releases/2024/pwc-2024-global-ai-jobs-barometer.html

3. hbr.org/2018/07/collaborative-intelligence-humans-and-ai-are-joining-forces

4. www.peoplemanagement.co.uk/article/1895039/michael-wooldridge-ai-doesnt-depth-replace-complex-roles

Chief Executive Officer’s statement continued



We believe we are at the centre of this evolving landscape, both in terms of what we deliver to clients, but also our own operations. To our clients, as well as candidates, we provide advice and guidance. Not only are we helping our clients to leverage the benefits of modern technology by finding the skills they need in order to do so, but we are also embracing it ourselves in ways that make work more fulfilling and impactful for our teams. We are on our own journey of creating a bespoke insights and data platform that will deliver exceptional value to our customers, candidates, employees and shareholders.

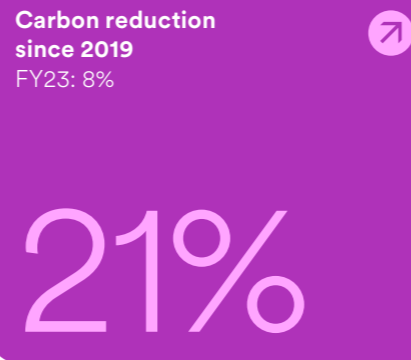
Working for our communities and the planet

Notwithstanding transient economic cycles, we remain resolute in our focus on executing our ESG commitments. In doing so, we are ensuring we are building a business that works for our communities and the planet, a central component to our sustainable growth ambitions and long-term resilience. Our commitment to the environment is two-fold: as a Group, we are actively transitioning to be a net zero business before 2050 in line with SBTi verified targets, and this year our net zero working group has been working on a five-year transition roadmap (FY25–FY30) to ensure we remain on track. Secondly, our role extends much broader than our own business footprint – the STEM skills we place play a critical role

in enabling the transition to a net zero world, and in FY24, we delivered 923 placements within clean energy. Since FY19 we have seen 161% growth in our clean energy business net fees. Clean energy, which now accounts for 11% of Group net fees, remains an exciting growth opportunity for SThree.

In 2019 we set our 2024 sustainable business practice and ESG ambitions (refreshed in FY22). The following provides an overview of our in-year performance and progress towards our overall goals:

- During FY24, our clean energy business grew by 5% compared to FY23 (FY23: up 28% versus FY22). We have achieved our target of doubling the size of our global clean energy business from FY19 to FY24.
- In FY24, we achieved a 21% reduction in carbon emissions compared to FY19, our baseline year for our SBTi net zero target. Our goal was to reduce absolute carbon emissions by 25% from FY19 levels. We surpassed this target in FY22 with a 44% reduction, but fell slightly short in FY24.
- Throughout FY24, we positively impacted over 48,500 lives (FY23: over 25,700). Since FY19, we have positively impacted 163,028 lives and successfully met our ambition of impacting more than 150,000 lives by the end of 2024.



// We have a talented team and are building a market-leading technology suite, to help us drive future growth for the Group.

Timo Lehne
Chief Executive Officer

- As of FY24, 37% of leadership positions are held by women (FY23: 39%) as we progress towards our short-term goal of 40% of women in leadership roles, with the longer-term ambition of achieving 50/50 representation.

We also recognise our responsibility in helping to shape an equitable and diverse STEM talent pipeline. As such, in FY24 our Elevate Careers programme delivered career advice, CV reviews, and sharing our intellectual capital to help 1,739 people at risk of unemployment to access career paths. Internally, we continue to invest in our diversity and in FY24 we welcomed 39 women to be our fourth leadership accelerator cohort.

Strategic execution Places: To be a leader in the markets we choose to serve

A key component of our growth ambition is ensuring our market coverage remains aligned to the best STEM markets and skills verticals through continuous evaluation under our market investment model. During the year, we remained focused on our active market coverage of 11 countries, giving us access to approximately 71% of the global STEM staffing opportunity, and which we service from our footprint of 33 offices.



This deliberate and targeted coverage follows a streamlining of our markets in preceding years, and as a result, this simplified structure has enabled us to channel all of our efforts during FY24 on strengthening our operations in each of our core markets for long-term success.

For example, in the US we have invested in refining our go-to-market strategies to ensure our teams are better positioned to capitalise on growth opportunities there, with a focus on having a more balanced portfolio in each of our core markets, particularly given that we expect the region to rebound faster than other markets. More broadly, other areas of focus in the year have been investing in our technology and capacity to embed data-driven insights throughout our operations, both to enhance the services we provide to clients and to also inform our pricing and skill vertical investments in each market. We have also evolved our global client approach to emphasise greater client collaboration and service. Lastly, we have brought our global Permanent community together to strengthen our Permanent offering in preparation for recovery in the market. These initiatives leave us with stronger foundations to grow both organically and through selected M&A, positioning us well to capitalise when markets recover.

Platform: Create a world-class operational platform through data, technology and infrastructure

This year has marked a considerable step-change in our transition to a digitally-enabled organisation, with the TIP roll-out now initiated across four of our five largest global markets. Importantly, we have taken the learnings from our first major roll-out in the US, and applied it to our subsequent implementations initiated in FY24 in Germany, UK and the Netherlands, helping us to be more efficient in our deployment. This has enabled us to introduce, for the first time, back-office process automation, with the early efficiency benefits highlighting the scale of the potential we can unlock. We now have five AI-enabled processes across placement support, payroll and IT help desks live and working in our four initiated markets, with another five processes to be onboarded in FY25. Taking a look at the US as our first major region to go live, over a 12-month period we have reduced the manual intervention on c.4,400 new placement onboardings or extension updates; removed the need for the manual management and approval of c.43,000 timesheets; and decreased the number of tickets created by the IT help desk by 28%.

In addition, the implications of our global system roll-out is starting to resonate much more broadly.

This year we have designed the automation of sales processes and begun digitising the ‘SThree Way’ best practice blueprint to support sales effectiveness of our consultants. In doing so, we have made a concerted effort in ensuring that our technology roll-out is inextricably delivered together with change management initiatives across our teams, through focus groups, leadership days and training. Already we can see that our new, standardised and accessible systems are tying the whole organisation closer together, helping to bring greater alignment around our strategy. We are becoming better at utilising the power of the Group through knowledge sharing and transporting client relationships across regions, helping to open up new opportunities and build deeper relationships with our clients.

As we enter the new year, we will be completing the roll-out of TIP globally, and introducing new functions onto the platform. As we look ahead to our mid-to-long term opportunity, this is only the start of our journey. The more we do, the more that it is clear that the benefits of TIP will continue to expand, with its global implementation providing the foundational infrastructure for continued enhancement, development and innovation in the years to come. We believe this will position us as game-changers in the industry, driving high margin growth over the medium term.

Chief Executive Officer’s statement continued

Position: Leverage our position at the centre of STEM to deliver sustainable value to our candidates and clients

Our go-to market strategy is rooted in our ‘house of brands’ approach, with a focus on leveraging the strong brand value we have in our specialist vertical markets across the full Group. Through a more unified brand portfolio we are working to tie our brands closer together to elevate the collective power of the Group and enhance our position within our markets and skills verticals. We are already seeing evidence that our proposition as a STEM partner is gaining increased momentum with larger enterprise clients, evidenced by 8% YoY net fee growth within our top client cohort. We see a large opportunity within this customer segment, and we have new initiatives planned for launch in FY25 to build on this momentum further.

To support our efforts, we launched the latest of our thought leadership initiatives in H2 FY24 with our global

STEM survey report, ‘How the STEM world works: Navigating the new era of AI and trust’. The report is the culmination of an in-depth survey of over 2,500 STEM professionals worldwide, spanning Technology, Engineering and Life Sciences. The report provides insight for our clients looking to create the right environment and workforce to embrace AI and digital transformation to drive productivity and innovation. Findings such as the fact STEM professionals are losing nearly six hours each week due to insufficient AI support, and the prevalence of digital illiteracy in leadership are just some findings that help our clients make the right workforce decisions.

People: Attract, develop and retain great people

Our long-standing relationships and best-in-class consultative service wrapper are made possible by our dedicated global team of c.2,700 people.

Our performance culture is guided by an ethos that everyone plays a part in our journey, and I would like to take the opportunity to thank all SThree team members for their continued commitment and determination in delivering outstanding value to our clients and candidates. A highlight of my role continues to be interacting with our teams on the ground across our global markets, and I was particularly inspired following our two-day leadership conference in London where our teams and customers came together to share views on the future of work. We were able to give additional insight on our technology improvement plans and the progress we have made in enhancing service delivery through standardisation of the ‘SThree Way’.

During the year we have seen early positive impact from enhanced processes to improve employee retention, including a reduction in sales consultant churn this year.

Specific initiatives in the period include the launch of a Global Benefits Network and Reward Governance Group, and the introduction of refined global hybrid working policies. In addition, we have dedicated considerable effort through our change programme, with a focus on upskilling, ensuring that our teams have been prepared for the demands of a new system as we progressed the global roll-out of our new technology infrastructure. In addition, there have been big investments in leadership development and we successfully activated and embedded our new company values.

Looking into FY25, we will be implementing new initiatives with the key objective to impact our retention and productivity of our 0–24 months sales population. With this programme we aim to develop our SThree Way of managing sales by ensuring we develop globally-consistent best practices for hiring, onboarding and performance managing sales talent across all regions.

Outlook: bringing skilled people together to build the future

As previously indicated, market conditions continue to be challenging particularly in Europe, and we prudently expect this to persist through FY25. Whilst the wider landscape remains in a state of status quo bias in the short term, we would expect this to transition to tailwinds over the medium term as businesses resume investment to avoid stagnation and pent-up investment demand is unleashed. Importantly, we are not shaping our thinking and decision making around this cycle. We maintain our forward-looking view, focusing on the right markets, with the right people and the right strategy over the mid-to-long term.

We are using this time to move further ahead in our positioning, investing in our future, supported by a resilient business model and robust cash position. We believe the actions we are taking are providing us with competitive, first-mover advantage and we will emerge

fitter and ready to capitalise when markets recover. Our scale, robust business foundations and deep STEM networks fostered over decades, combined with a plan to drive the benefit realisation of our infrastructure investment, sets us on a path to be game changers in STEM.

Timo Lehne
Chief Executive Officer
27 January 2025

Further reading: Strategic progress, pages 30 to 39.



We aim to develop our SThree Way of managing sales by ensuring we develop globally-consistent best practices for hiring, onboarding and performance managing sales talent across all regions.

Timo Lehne
Chief Executive Officer

Further reading: see Our net zero transition plan, pages 66 to 67, for information on key actions and initiatives to decarbonise SThree's operations.

Our markets

Against a backdrop of rapidly accelerating global megatrends, businesses are compelled to adapt through reinventing business models, investments in technology and service partnerships to close operating-model capability gaps.¹

Alongside the era-defining megatrends pressuring businesses to reinvent themselves lies a unique opportunity to evolve long-standing solutions to create long-term, sustainable value. These developments increase SThree's business opportunity and demand for its services as a STEM talent provider.

In this Annual Report and Accounts, we contextualise the Group's performance and prospects through five global megatrends which shape the STEM specialists' labour market.

Megatrends impacting supply of STEM skills

Demographic changes

Demographics are evolving at the fastest pace in history, with rapidly ageing populations. The proportion of people of working age globally is shrinking, while the relative number of those retiring is expanding.

Tighter labour markets are driving the structural changes in the global economy. This ranges from rapid technological innovation, digitalisation and accelerated energy transition. In more developed economies, the shortage of human work-force drives the need for automation and productivity enhancements.

These changes lead to a rise in demand for a highly-skilled workforce, as well as increased rates of pay, especially in STEM fields.

Global shortage of skilled workers by 2030, with the largest gap in technology and engineering **85m**

Source: German Economic Institute

Annual decline in working-age population between 2040 and 2050 **-0.5%**

Source: HSBC Global Research, Demographics

Growth in SThree net fee margin since FY19 **+13%***

* In constant currency.

Shifting attitudes to work

previously New working models

A trend towards new work patterns and flexible work continues to entrench.

Greater work flexibility gives candidates the confidence to go from contract to contract, developing their career within their given niche of expertise. This contributes to ongoing growth in the number of contractors which, according to 62% of global executives polled by Ceridian, will substantially replace full-time employees by 2030.

A post-pandemic shift towards remote working has seen businesses adapting existing infrastructure and making 'smart' urban developments, which in turn drive significant investment and demand for STEM professionals.

Share of global candidates stating flexible working as a factor that will affect their career **63%**

Source: SThree research 'How the STEM world evolves' 2023

Number of US workers in full-time 'permanent' employment by 2030 **9%**

Source: PwC, Workforce of the future: The competing forces shaping 2030

Growth in SThree contract net fees since FY19 **+26%***

* In constant currency.

Megatrends driving demand for STEM skills

Digitalisation

Digitalisation is transforming business models around the world, with companies accelerating the push to deliver digital customer experiences.

Businesses with empowering technology are able to adopt leaner ways of working and, in turn, revolutionise their customer interactions. This digital ingenuity and greater operational efficiency drives customer retention and revenue generation.

The increased technological complexity and innovative digital technologies, including artificial intelligence (AI) and machine learning, are driving an explosion in demand for specialist technology skills, and will no doubt underpin and grow the world of work.

of European businesses see digital skills as critical to their daily operations **65%**

Source: AWS, Strand Partners, Unlocking Europe's AI potential in the digital decade

Contribution of digital technology to UK economy by 2030 **£520bn**

Source: Study by Amazon Web Services in partnership with Strand Partners on unlocking the UK's digital potential

Growth in SThree technology-related net fees since FY19 **+23%***

* In constant currency.

Decarbonisation

Global actions towards a green energy transition are well under way, of which automation and technology are an essential element. Advances in technologies deployed in grid infrastructure, energy storage and renewables capacity help to protect scarce natural resources and minimise environmental damage.

According to the International Energy Agency, by 2030 14 million new jobs will be created in global energy supply, and a further 16 million in clean energy end-uses. This job growth will be driven by both public and private investments, driving an exponential growth in demand for engineering and 'green' tech talent.

New clean energy jobs to be created globally by 2030 **30m**

Source: IEA Net Zero Roadmap – A Global Pathway to Keep the 1.5 °C Goal in Reach (Nov 2023 Update)

Increase in annual grid investments across advanced economies to reach Net Zero 2050 **50%**

Source: HSBC Global Research, The climate in 2024

Growth in SThree net fees in renewables since FY19 **+161%***

* In constant currency.

Research-led healthcare

Life Sciences and Healthcare sectors continue to evolve towards achieving a future of widespread health equality. Gene editing, clinical trials and the introduction of AI are just a few of the key forces shaping the face of these sectors today.

These innovations require expertise in everything from medical science and quality assurance to regulatory affairs. They fuel the race for talent and lead to huge opportunities for STEM candidates.

Finding people with the right skills and expertise will be essential for Life Sciences and Healthcare to reach its full potential in the coming years.

Expected savings in US healthcare spending through AI and machine learning tools **£200bn (c.\$360bn)**

Source: McKinsey and Harvard Study

Growth in global pharma R&D spend, 2020–2028 **43%**

Source: Statista

1. Based on PwC 27th CEO's survey.

Our business model

Business model

Our key value drivers

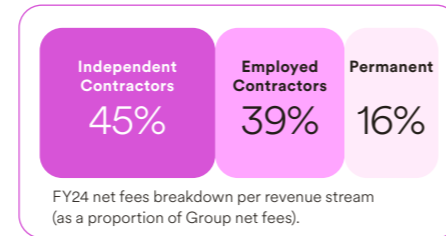
We have a diverse, skilled and committed workforce

We have a global network of dedicated STEM recruitment experts. We employ approximately 2,700 people across the world.

We earn net fees from a well-balanced business

We deliver a comprehensive suite of compliant STEM resourcing solutions to meet clients' increasingly complex needs.

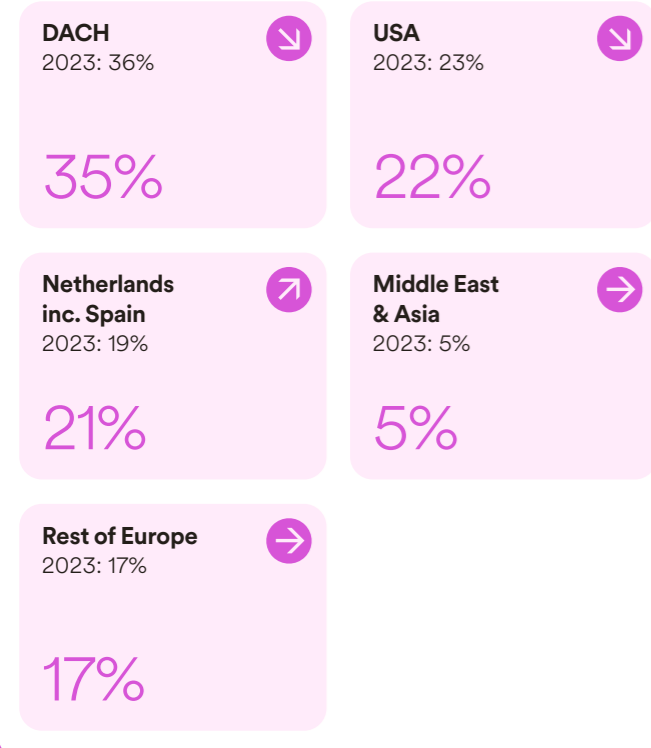
Net fees is our core performance indicator. It represents the margin earned for time worked by Independent Contractors and Employed Contractors across the duration of the contract¹, as well as one-time placement fees charged as a percentage of a Permanent candidate's starting salary.



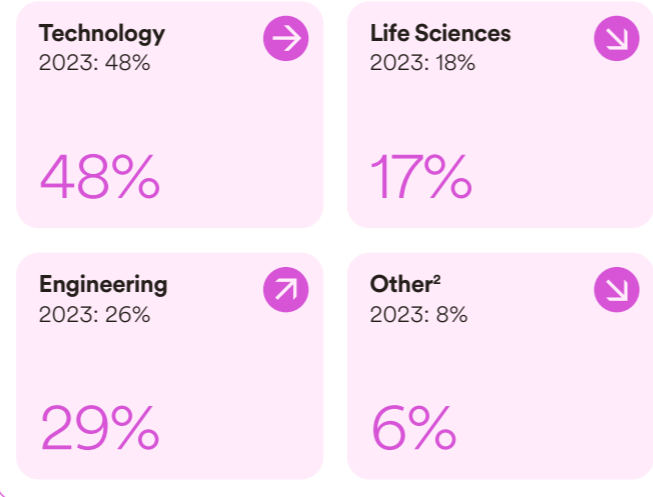
Our strategic weighting towards Contract provides resilience and good forward visibility of repeatable fees that are likely to continue in the future.

Economically, Contract placements typically provide for higher lifetime value and profitability than Permanent placements.

Net fees by reporting segment¹



Net fees by skill¹



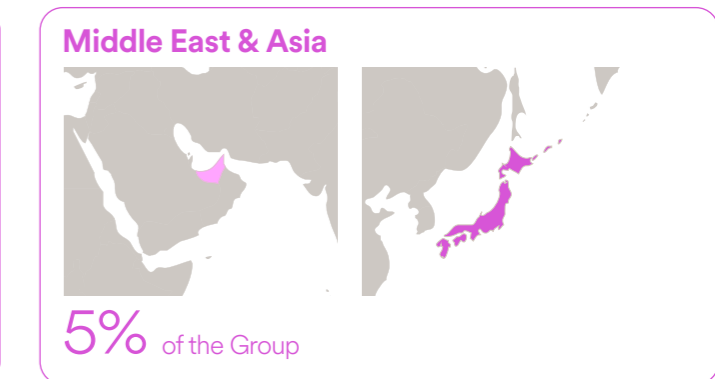
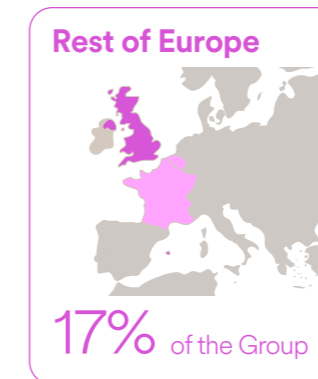
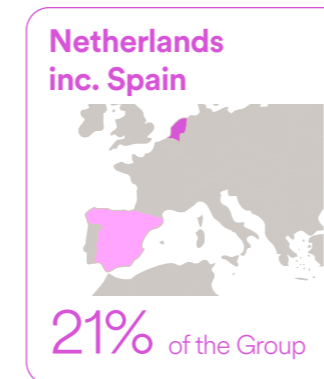
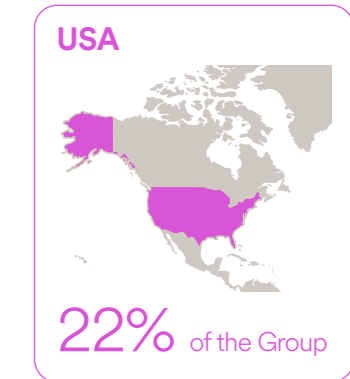
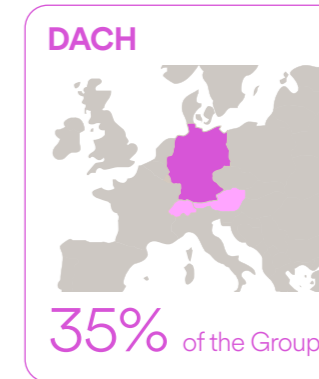
Net fees by segment	FY24 vs FY23 ³
DACH	-12%
Netherlands inc. Spain	-2%
Rest of Europe	-12%
USA	-12%
Middle East & Asia	4%
Group	-9%

Net fees by skill	FY24 vs FY23 ³
Technology	-10%
Life Sciences	-17%
Engineering	-1%
Other ²	-12%
Group	-9%

We are a global business

We deliver STEM talent in the most important STEM markets where technological change is at full speed.

- Europe offices** (Head office: London): Amsterdam, Antwerp, Barcelona, Berlin, Birmingham, Bristol, Brussels, Düsseldorf, Eindhoven, Frankfurt, Glasgow, Hamburg, Hanover, Leeds, London, Madrid, Manchester, München, Nürnberg, Paris, Rotterdam, Stuttgart, Utrecht, Vienna, Zurich
 - USA offices**: Austin, Boston, Chicago, Houston, New York, San Diego
 - Middle East & Asia offices**: Dubai, Tokyo
- Top 5 Markets ■ Other markets



We have a house of global brands with competitive and differentiated value propositions

Our brands are market leaders in delivering STEM talent to our clients.

Science

Through our specialist brand **Real**, we place candidates in organisations within the scientific sector.

Technology

We place professionals with Tech skills across multiple sectors and industries predominantly through our **Computer Futures** brand.

Engineering

Our network of consultants at **Progressive** connect engineers with organisations which provide renewable energy, sustainable infrastructure and cleaner transport.

Mathematics

Our specialist recruitment brands **Huxley**, **JP Gray** and **Madison Black** place candidates with specialists skills in managing data across the Netherlands and North America.

1. As a proportion of FY24 Group net fees.
 2. Skill 'Other' includes Banking & Finance, Procurement & Supply Chain and Sales & Marketing.
 3. All % movements presented on a like-for-like basis.
 4. SThree pays contractors in line with submitted timesheets and invoices clients with a mark-up.

Our business model continued

How we create value

What we do – our focus on STEM

We are a global STEM talent partner, with recruitment experts across the world.

We connect highly-skilled candidates with the right contract and permanent opportunities across dynamic organisations, which solve complex challenges across the world. That’s how we build the future.



How we create value (the SThree Way)

The SThree Way supports our strategic pillars by instilling an inclusive, high-performance culture and promoting an integrated approach across sales and core functions and a leading technology platform. It is underpinned by our values which guide our behaviours and ways of working.

We put our customers at the heart of everything we do. Building exceptional customer experience is the foundation of the SThree Way.



Game-changers in STEM

Investing for growth

We ensure continuity and prioritise profitable growth

People

Best employer, best people



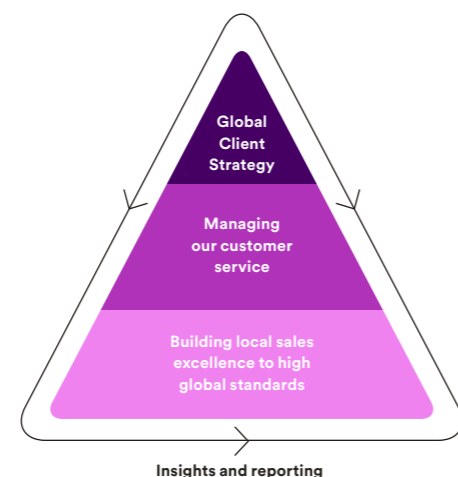
Our People and Business excellence

Platform

Digital first – redefining potential, unleashing our vision



Customers



Global Client Strategy
We foster long-term relationships and develop our strategy around global key clients.

Managing our customer service
We deliver the best for our customers by continuously optimising our offerings to serve multiple customer segments effectively.

Building local sales excellence to high global standards
Our Client Blueprint programme sets the benchmark for sales globally.

The SThree Way
Our Customer Service Excellence

Places

Knowing where to play, playing where we can win



Repositioning SThree among competitors
Our STEM markets and brands with differentiated value propositions

Position

A winning house of STEM brands with competitive and differentiated value propositions



Value we create for stakeholders

FY24 has been the year of executing our value creation plan and continued focus towards unlocking our potential.

Examples of our value creation in FY24

Career with purpose

We offer our people a great place to work and invest in ongoing learning and development, well-being and DE&I programmes, all in support of creating an inclusive culture, winning our employees’ engagement and empowering them to meet their goals.

6.8%
of operating profit invested in learning and professional development programmes

38,941
employee training hours

Enhancing lives of future generations

Understanding the needs and career aspirations of our candidates allows us to match them with the right client organisations. Our candidates’ expertise and problem-solving skills help our clients make new discoveries, realise and increase the long-term potential of technology to address today’s world’s challenges.

12,159
candidates placed in FY24

>5,900
clients we worked with around the world in FY24

Shareholders returns

Total recommended dividend per share (including FY24 interim dividend paid in December 2024 and final dividend declared by the Board in January 2025 which is subject to the AGM approval).

In FY24, the Board recommended 9.2 pence per share in the final dividend for the year; this represents 21% YoY decrease.

We aim to pay a dividend that is sustainable through the cycle, and which will be driven by long-term earnings growth.

14.3
pence

Developing cutting-edge STEM talent

We lead many initiatives across communities to promote STEM careers with great expansion prospects. We help eliminate barriers to employment and create more pathways into STEM careers.

1,739
people accessed career support programmes

2,891
hours volunteered in local communities

Addressing the climate crisis

We source the talent needed to build a sustainable future, partnering with clients to support the transition to a low-carbon economy. Our SBTi validated target is to be a net zero company by 2050, with a near-term target of reducing scope 1 and 2 GHG

emissions by 77%, and scope 3 GHG emissions by 50%, by 2030 versus the base year 2019.

21%
reduction in CO₂ emissions since 2019 base year



Laser-focused on delivering strategic progress

Strategic Report

- 24 Strategy overview
- 26 Key performance indicators
- 30 Strategic progress
- 40 Chief Financial Officer's statement
- 44 Business review
- 54 Stakeholder engagement
(including section 172 statement)
- 60 Our commitment to being a
responsible business (including TCFD)
- 82 Risk and Compliance Statements

Strategy overview

Places

To be a leader in the markets we choose to serve

- Net fees.
- Net fees through global clean energy business.
- Basic earnings per share.
- Total shareholder return.

- Began harnessing data-driven insights to develop dedicated Enterprise Clients service.
- Enhanced our service lines, reinvigorating our Permanent offer to meet client needs.

- Continue development of Enterprise Clients service.
- Harness data-driven insights to empower consultants.
- Continue development of specialised teams serving particular sectors and skill verticals.

- Positively impacting over 163,000 lives since FY19 through providing access to decent work and delivering community outreach programmes.
- Finding the STEM talent needed to decarbonise the world, address health challenges and build sustainable infrastructure.

Platform

Create a world-class operational platform through data, technology and infrastructure

- Operating profit conversion ratio.
- Profit before tax.
- Carbon reduction.

- New technology improvement platform (TIP) learnings from US applied in roll out to Germany, UK and the Netherlands.
- Introduction of back office process automation.
- Designed the automation of processes to improve sales efficiency.
- Began digitising the SThree best practice blueprint and designing sales effectiveness support for consultants.

- Complete roll-out of the TIP globally.
- Begin introduction of sales effectiveness and efficiency functionality.
- Begin introducing a Contract Lifecycle Management system to speed the interpretation of client contracts.
- Begin the roll-out of enhanced HR system (HCM).

- Deliver efficiencies as we transition to a net zero operation.
- Build the systems that will provide our clients with access to the very best talent to deliver their low-carbon transition plans.

People

Attract, develop and retain great people

- Representation of women in leadership roles.
- Employee net promoter score (eNPS).

- Identified top 40 leaders for succession planning and ran dedicated leadership programmes for senior leaders.
- Continued to evolve our Identify programme (Women in Leadership programme).
- Introduced core function personal development.
- Embedded our new values.
- Enhanced minority groups data collection.
- Launched Global Benefits Network and Reward Governance Group.
- Introduced global hybrid working principles.

- Launch new HCM platform and ways of working.
- Further embed behavioural framework to underpin our values.
- Launch new Onboarding Programme of sales teams.
- Launch new Global Performance Management process and toolkit.
- Implement new talent acquisition tools.
- Continue to develop current and future leaders.
- Roll out new behavioural framework.

- Create a high-performing, inclusive work culture where everyone is supported and empowered to thrive.
- Improve diversity across our business to ensure we represent the variety of our clients and candidates.

Position

Leverage our position at the centre of STEM to deliver sustainable value to our candidates and clients

- Number of lives positively impacted.

- Developed Endorsement strategy.
- Developed Sales Excellence programme.
- Developed Major Global Client service.

- Launch endorsement strategy to leverage the SThree Group brand across our house brands.
- Continue to input into the platform design of the Sales Excellence Programme.
- Review our processes in the light of the new platform's data and analysis tools.
- Refine our marketing as well as incentivise and reward priorities such as major client development.

- Build diverse STEM talent communities that make STEM careers more accessible to everyone and provide our clients with access to the best, diverse STEM talent.

Key performance indicators we track

Progress on FY24 priorities

Initiatives and immediate priorities for FY25

Our approach to ESG¹

1. Integral to our purpose and strategy is a strong emphasis on our ESG commitments. We bring skilled people together to build a sustainable future for everyone.

Key performance indicators

Delivering performance

Our key performance indicators (KPIs) provide a balanced measure of the Group performance against our strategic priorities. These KPIs, a combination of six financial and four non-financial measures, help the SThree Board and Executive Committee evaluate operating performance and inform their financial, strategic and operating decisions.

KPIs used for executives' remuneration

To help our Board and Executive Committee align their focus with the interests of our stakeholders, all KPIs addressed in this section are reflected in the executive remuneration targets, as per the policy approved by shareholders at the 2024 Annual General Meeting.

Changes to KPIs versus prior year

As we transition to the new end-to-end platforms, tracking and measuring one of the previously disclosed KPIs, Customer Net Promoter Score (NPS), has been paused. Whether the measurement of NPS will be resumed in FY25, subject to the full implementation of all Technology Improvement Programme (TIP) cohorts, is subject to the Directors' review and decision.

Places

To be a leader in the markets we choose to serve

Net fees

This KPI is calculated as revenue less cost of sales, and represents the mark-up we charge to our clients on top of candidate salaries. It is one of our fundamental financial measures as it indicates how our business is performing over time. Our FY24 medium-term target was to grow our net fees faster than our peer group across the aggregate of our top five markets compared to FY19.

£369m

-9%* on 2023

FY24	£369m
FY23	£419m
FY22	£431m
FY21	£356m

FY24 performance

Ongoing macro-economic and geopolitical uncertainties continue to affect business confidence of our customers, which has resulted in a continued decline in new business activity across Contract and Permanent, partially offset by strong Contract extensions as clients seek to retain much-needed STEM skills. This resulted in our total net fees declining by 9%* YoY (12% decline on a reported basis), with Contract down by 7% and Permanent down 18% YoY.

Based on the market data available to us as at the end of Q3 FY24, we have outperformed our local peer group (on a net fee basis versus FY19) and met our FY24 target.

Net fees through global clean energy business

This KPI represents growth in the Group's net fees generated from placements of candidates in the renewable energy sector since FY19. A transition to a low-carbon future is driving an increase in STEM job opportunities. Our target to double the size of our global clean energy business by FY24 versus the base year FY19 has been achieved.

161%

growth* on 2019

Result (% growth on base year FY19)

FY24	161%
FY23	142%
FY22	88%
FY21	46%

FY24 performance

In FY24, net fees from our clean energy business (renewables) grew by 161%* on FY19, attributable to unwavering pace in our clients' decarbonisation investments and other climate change mitigating initiatives, all underpinned by STEM skills. This part of our business is supported by our internal Global Renewable Energy Network, built by Energy sector leaders working together on actions to accelerate growth of our renewables business.

Basic earnings per share (EPS)

EPS helps to assess the Group's profitability per share. Internally, it is also used for the vesting assessment of the Group's Long-Term Incentive Plans. Our ongoing target is to achieve earnings growth for shareholders while balancing reinvestment to secure future growth opportunities.

37.4p

-12% on 2023

FY24	37.4p
FY23	42.4p
FY22	41.0p
FY21	31.8p**

FY24 performance

Basic EPS decreased by 12% over the prior year. This was attributable to (i) the 13% lower operating profit, which was partially offset by increased finance income, and 160 bps lower Group effective tax rate; and (ii) 0.7 million increase in the weighted average number of shares.

Total shareholder return (TSR)

The growth in value of a shareholding over a three-year period, assuming that dividends are reinvested at the closing price on the ex-dividend date. This KPI helps to assess the Group's performance in the delivery and maximisation of long-term value for shareholders. Our ongoing target is to generate good returns on the investments we make and create long-term value for shareholders.

-27.6%

-79.3 pts on 2023

FY24	-27.9%
FY23	51.7%
FY22	35.4%
FY21	85.6%

FY24 performance

During the assessed three-year period (FY21 to FY24), SThree plc's share price declined by a third. This performance places SThree in a mid-range position relative to the basket of comparator companies and reflects the Group's strategic focus on Contract which continued to underpin our performance in the challenging market. Based on this final performance test, the TSR portion of the FY22-24 LTIP award will vest at 41.7% of maximum.

Platform

Create a world-class operational platform through data, technology and infrastructure

Operating profit conversion ratio

This measure represents operating profit stated as a percentage of net fees. It measures the Group's effectiveness in controlling costs and managing its investments for future growth. Our aim is to operate our business efficiently and cost effectively with stable margins and to deliver a mid-term sustainable operating profit conversion ratio in excess of 21%.

18%

flat in % pts on 2023

FY24	18%
FY23	18%
FY22	18%
FY21	17%**

FY24 performance

Despite the current macro-economic headwinds which negatively impacted net fees and dampened the overall margin progression, and continued spend on the implementation of TIP, we succeeded in keeping the conversion ratio stable YoY. This was attributable mainly to disciplined management of operating costs. Our medium-term sustainable profit conversion ratio was not met mainly due to the protracted challenging economic conditions and businesses delaying investment plans which in turn continued to impact new placement activity.

Profit before tax (PBT)

The KPI represents net fees less administrative expenses and less net interest, before adjusting items. It is a measure of our underlying profitability, our efficiency and how we manage our cost base. Delivering a healthy and consistently profitable growth is important as we aim to create value for all our stakeholders over the long term.

£68m

-9%* on 2023

FY24	£68m
FY23	£78m
FY22	£77m
FY21	£60m**

FY24 performance

PBT decreased by 13% on a reported basis (down 9% in constant currency basis) as compared to FY23, due to decline in net fees partially offset by cost savings and net interest income.

Carbon reduction

Our near-term goal is to reduce scope 1 and 2 carbon emissions by 77%, and scope 3 carbon emissions by 50% by FY30, from a FY19 base. Our short-term ambition was to reduce scope 1, 2 and 3 carbon emissions by 25% between FY19 and FY24. Progress against carbon reduction is also used as a factor in determining vesting of Long-Term Incentive Plans granted to executives.

21%

reduction from base year 2019

FY24	-21%
FY23	-8%
FY22	-44%
FY21	-71%

FY24 performance

In FY24, our scope 1 and 2 emissions remained consistent YoY, with a 32% increase from our 2019 baseline. Our absolute scope 3 emissions reduced by 26% versus 2019. We implemented carbon reduction activities across seven offices, including our new London HQ equipped with architectural innovations to save 5,000 tonnes of CO₂ per year and promote a healthier workplace. We also moved 30% of our car fleet to hybrid or electric vehicles and we engaged with our top 20 high-emitting suppliers to set new ambitious carbon reduction targets. The impact of these initiatives will be realised in FY25.

* In constant currency.
** With adjusted profit before tax.

Key performance indicators continued

People

Attract, develop and retain great people

Representation of women in leadership roles

This KPI is a measure of gender balance within the Group and an indicator of our strategic growth plans leading to a diverse leadership team. Since FY23, to ensure alignment with the FTSE Women in Leadership Review requirements, this KPI is calculated by taking the number of women in 'ExCo' and 'ExCo minus one' roles (excluding administrative roles) as a percentage of our total workforce at this level. Our short-term target is to achieve 40% of women in leadership roles, aligned to the FTSE Women in Leadership Review, with a longer-term ambition to achieve 50/50.

37%
of women in leadership

FY24	37%
FY23	39%
FY22	32%
FY21	L3: 34% L4: 14%**

FY24 performance

At the end of FY24, women represented 37% of all roles within the leadership cohort, with 48% (FY23: 53%) in core function leadership roles compared to 5% (FY23: 24%) in sales leadership roles.

We recognise that we have a diverse pool of high potential women across our business and our focus is on the development and promotion of this talent into leadership. During the year, we launched the fourth cohort of 'Identify', our talent accelerator programme for women. In addition we have an established global women's network who run quarterly career events for all women in the business as well as local women's networks in the Netherlands, Japan and MENA who organise local activities to promote gender diversity.

Employee net promoter score (eNPS)

The score is the result of the annual employee survey that captures regular feedback from our people about their experience of working at SThree. Our success is reliant on having a motivated and engaged workforce, so our aim is to never stop listening to, and acting upon, our people's feedback. eNPS helps us identify areas for ongoing improvement so that we can ensure SThree is a great place to work, and we attract and retain the best people.

35pts
-8pts on FY23

FY24	35pts
FY23	43pts
FY22	51pts
FY21	43pts

FY24 performance

Our average global eNPS declined to 35 points and as a result SThree missed the FY24 ambition by dropping just outside of the top 25% of professional services organisations. 78% of all staff who completed the survey said that the adequately designed and implemented recognition schemes, well-formulated goals and constructive feedback continue to contribute to a positive work environment within SThree. However, key actions in which we need to invest more include: to embed the Group's strategy and priorities across all business activities; to provide our people with adequate level of autonomy to maximise their potential and help us build a high-performance culture.



Position

Leverage our position in STEM to deliver sustainable value to our candidates and clients

Number of lives positively impacted

The metric represents the number of people whose lives since FY19 have been positively impacted through inclusive recruitment solutions and community programmes that SThree delivers. We use our skills and unique position to help communities find decent, sustainable work that can deliver real social change. Our ambition was to positively impact 150,000 lives between FY19 and FY24.

163k lives

+42% on FY23

FY24	163,028
FY23	114,466
FY22	88,741
FY21	55,771

FY24 performance

Between FY19 and FY24 we have positively impacted 163,028 lives and successfully met our medium-term ambition of impacting more than 150,000 lives. Through our flagship development, coaching and mentoring programmes we have continued to enhance our local communities through access to decent work and tackling career inequalities. In FY24, we provided support to 3,736 existing and aspiring STEM professionals and through our placements in FY24 alone, we helped 12,159 candidates access work in STEM-related industries.

* In constant currency.
** The comparators for year prior to FY22 are using a definition which resulted in a larger population being included and restating has not been possible due to a lack of data.

Strategic progress
Places

In FY24, we continued to pursue our strategy of doing business where the opportunities are greatest.

Laser-focused on where there's most potential

We play in the world's biggest STEM skills markets, operating in 11 countries which represent 71% of the global STEM skills spend. Although the last two years have seen volatile demand, in the long term we believe megatrend fundamentals continue to point to strong growth. Being focused in markets that serve these megatrends means we are ready for the resumption of growth when it occurs.

That focus also means we can scale efficiently, leveraging the client servicing efficiencies resulting from the Technology Improvement Programme (TIP). There is considerable fragmentation in the talent market. Smaller, less well-resourced players adversely affected by increasingly onerous compliance and country-specific requirements find it difficult to compete with the sector specialism we can achieve because of our scale and resources. These factors also form barriers for new entrants. So we see good potential to increase market share.

With the exception of Spain and Japan, sales in most of our markets declined during the year due to challenging market conditions. Looking at the year by segment, our Engineering business remained overall stable YoY, benefiting in particular from growth in the Clean Energy sector, up 5% YoY, whereas Life Sciences remained in its post-pandemic decline, and Technology faced continued challenges. However, we still performed well against our more generalist talent business competitors, both in the FTSE 100/FTSE 250 which points to the resilience of our business model.

Diversification and scale

A core element of our resilience has been the combination of a robust Contract book, with contractors performing mission critical roles, with our complementary Permanent service offering. We consistently review our overall service lines to ensure we meet a broad range of client needs, adapting to changes in market demand.

While we continue to prioritise Contract staffing, we made increased effort to reinvigorate our Permanent recruitment offering this year as it remains a significant part of our business.

This year's focus on major account clients, particularly global enterprises, helped us deepen relationships and improve returns from our Top 20 clients. We enhanced customer-oriented behaviours and processes, leveraging data-driven insights and deployed a new analytics environment to help create a more complete service for major customers. This technology enables us to serve clients more effectively, facilitating the placement of candidates in international locations while improving compliance and responsiveness.



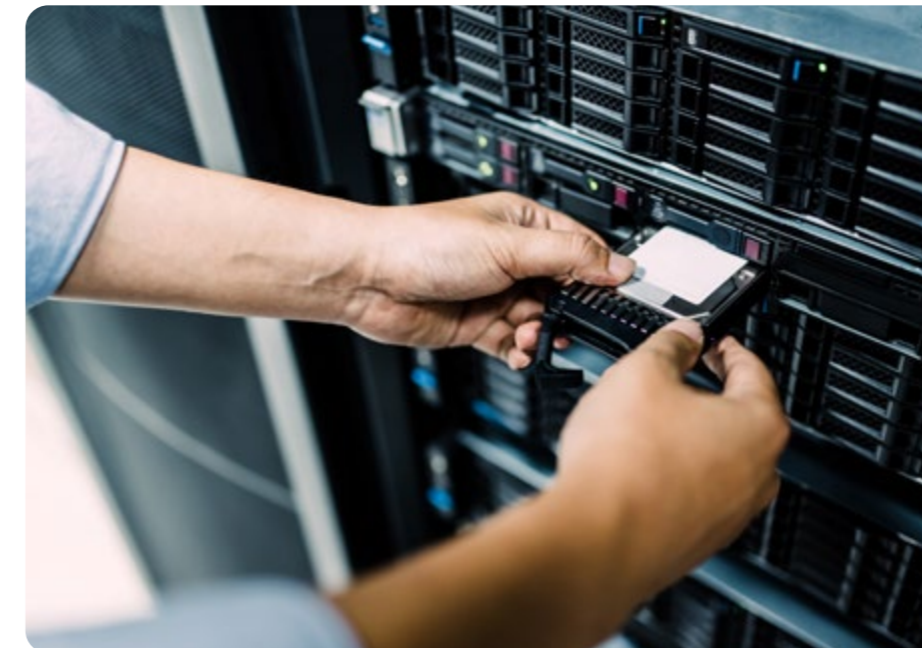
This year's focus on major account clients, particularly global enterprises, helped us deepen relationships and improve returns from our Top 20 clients.

Jelte Hacquebord
Chief Commercial Officer



Global STEM market

£108bn



Plans for FY25

Looking at the priorities for next year, we will continue the development of our consultants' skills through the roll-out of the Sales Excellence programme on our enhanced CRM platform. Working with the technology improvement team, we will use data-driven insights to further optimise our management focus and service offering, as well as direct resources to rapidly align to markets as they recover. We will also continue the development of specialised teams for particular sectors and skill verticals whilst continuing to develop our dedicated major client service.

USA
SThree market share

0.7%

Total addressable market: £44bn
Market players: 20k+

Europe
SThree market share

3.5%

Total addressable market: £33bn
Market players: 70k+

Middle East & Asia
SThree market share

0.4%

Total addressable market: £10bn
Market players: 43k+

Strategic progress

Platform

Number of timesheets submitted automatically over 12 months in the US. Before the improved platform these would have been manually entered and approved by the SThree Core Team on behalf of contractors.

43,680



This year's roll-out of the enhanced Technology Improvement Programme (TIP) to three more markets represented a major milestone in the Company's digital transformation journey.

Nicholas Folkes
Chief Operating Officer

Laser-focused on seizing the full potential of digitisation



We launched the enhanced platform in the US market in FY23. This year we focused on our Core Function, back office processes with the result that time required for client servicing administration, such as timesheet processing, expense management, compliance checks and client invoicing, were all significantly reduced in the US.

The US roll-out allowed us to refine and expand the platform's capabilities as we rolled out many of its functions in Germany, the UK and Netherlands this year. Although this launching in a new territory involves adapting the platform to the different regulations and compliance requirements of that jurisdiction, having already refined the system in the US made the process relatively straightforward. This agile learning and development approach continues, enabling the team to incorporate real-time feedback and progressively refine the system for the benefit of all territories.

The functionality focus so far has been on digitising administrative functions, but this year we began to develop the sales effectiveness potential of the platform. The vision is to create a co-pilot for consultants which can suggest optimal actions at any point in the sales cycle. This has involved digitising best practice, taking our learnings and integrating them into the system and automating where possible.

The goal is to merge this with external data sources to guide the sales team to where the best market opportunities are whilst automatically gathering insight to enable management to track performance and better direct team activity. This will improve our onboarding process and shorten the time it takes for new starters to become effective consultants.

In parallel, we are also developing the CRM to improve sales efficiency. Using generative AI we have built our own large language model which draws on our own processes and knowledge base. Our CRM will have the telemetry to understand where a consultant is in the sales process and automatically generate whatever is required that can be automated – a follow-up email, for instance.

Supporting major client service and global sales

The enhanced CRM offers enormous potential to leverage the global footprint of SThree's businesses to meet the needs of our major clients looking to hire internationally. Any legacy database silos are being integrated and lead referral tracking is being captured to ensure servicing clients outside a consultant's business unit or territory is properly rewarded and incentivised.

Plans for FY25

Next year, the focus will be on completing the full deployment of the platform across all territories whilst beginning to roll out the sales effectiveness and efficiency tools, including further integration of AI and introduction of the new Contract Lifecycle Management system. We will also begin implementation of the new HR system. Again, this will follow an agile learning and development approach where we refine at each step of the roll out. The aim is to harness digital technology to bring improvements in the management of operations, and thereby support the growth and profitability of the business.

Contract lifecycle management system

AI offers the potential to speed up the interpretation of contracts so we can serve our clients more quickly. We have been building this functionality with the aim of introducing it next year.

HR systems and people management

The enhanced platform also offers potential to improve the efficiency for our digital human capital management (HCM) system, so this year we have been working with our People team to design its functionality. Because the platform has the potential to make it easier for managers to see many different measures of performance, the new HCM offers potential for enhancing our rewards and recognition scheme and offers new opportunities for attracting and retaining talent.

New office openings

It has been a year of exciting developments in our physical platform – our office estate. We opened our first net zero office in Glasgow, a highly innovative space which is the first net zero office in Scotland. In London, we moved the Group head office to a low carbon property using a sustainable fit out supplier. Our sustainable property policy plays a critical role in our transition to a net zero operating model.



The Technology Improvement Programme (TIP) is bringing major changes in the way people work at SThree. We have been training and engaging our people so they are prepared and able to make the most of new ways of working.

Sarah Mason
Chief People Officer

Laser-focused on building a high performance culture

eNPS score
2023: 43



35



Upskilling our employees to maximise the impact of change

The enhanced tech platform offers the potential to transform the way we do business and make huge strides in improved performance, but it will only be successful with the commitment of everyone who works at SThree. We have therefore invested heavily in training to support the introduction and adoption of new ways of working. In FY24, we delivered 38,941 hours of training to our employees, 0.3% of which was focused on leadership development, a further 5% on enhancing our management and 7% developing the skills needed to maximise our new tech platform.

Discovering how people feel about the new tech

We added questions into our twice-yearly engagement survey and evaluated the results which indicated good levels of awareness and engagement. Belief in the change and the rationale for change both score above the professional services industry benchmark with high results for leadership overall.

Measuring employee experience

Other findings of the survey revealed SThree's strengths in recognising performance, giving feedback and setting performance goals – all essential to driving success in the talent recruitment business and a good indication that our leaders and managers are being effective. Our employee net promoter score of 35, lower by eight points YoY, means we are now in the middle range when benchmarked against other leading professional services industry firms.

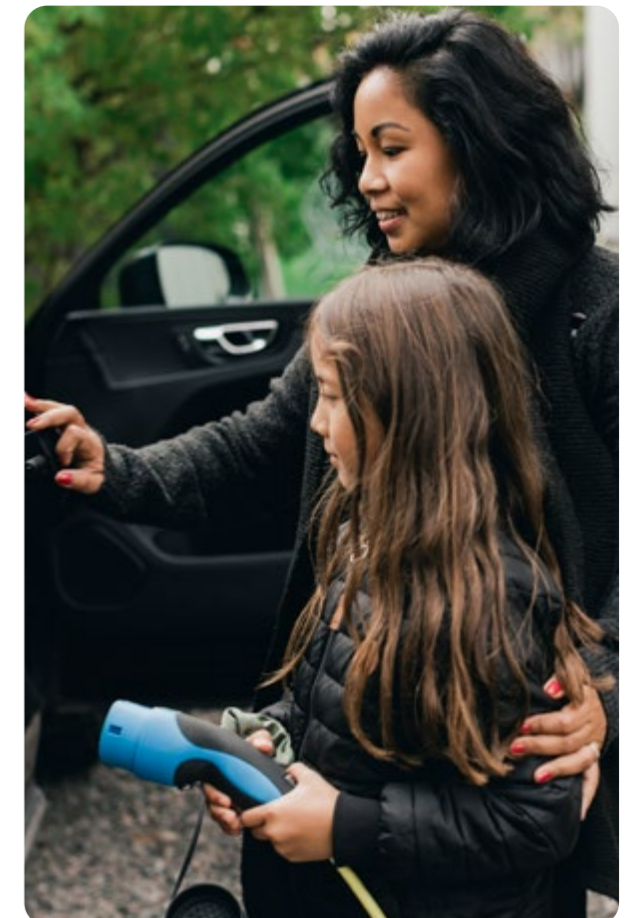
Developing an inclusive culture

Creating a high-performing culture that supports diversity, equity and inclusion (DE&I) makes good business sense in a global people business where only a motivated and diverse workforce can meet the needs of a culturally diverse client base. In FY24, we delivered our first inclusive leadership masterclass with the top 40 leaders in our business. The masterclass challenged perception and bias and resulted in leaders developing personal inclusion action plans. In addition, we have invested in a charity partnership with Bridge of Hope to cement our commitment to being an inclusive employer.

This partnership enables us to benefit from inclusive hiring masterclasses and directly target diverse talent pools with our job opportunities. Finally, we developed our revised DE&I Policy and which will be launched in FY25.

It is critical that our DE&I action plan is evidence based and outcome driven. DE&I data is therefore critical to drive improvement. In FY24, we commenced improving the diversity data we have for colleagues to better understand representation across our global business and at all levels. With the diverse cultural and legal landscape of our business we have focused data collection in the US, UK and for our ExCo and 'ExCo minus one' levels. Our actions and commitment align with the reporting requirements outlined in the Parker Review.

As a result of enhanced data, our Board has set our first ethnicity target for 2027 of seven leaders which is 18% ethnic representation in the UK market. This is based on our ExCo and 'ExCo minus one' population in the UK of 38 leaders (at time of data capture). Throughout FY25, we will continue to evolve and implement our ethnicity action plan to achieve our target.



Strategic progress
People continued

Identify – Women in Leadership programme

FY24 saw the fourth cohort join the Identify programme, an evidence based talent accelerator programme designed to improve the promotion of women into leadership career paths. Since the programme launched, 62% of alumni from the first three cohorts have been promoted.

The programme includes external mentor support, skills development workshops and business challenges. In FY24, we introduced alumni development opportunities and a sponsor programme where alumni benefit from sponsorship from an existing SThree leader.

Across the three previous Identify cohorts, 40 women registered and were matched with sponsors from the Top 100 population. At the sponsorship halfway point, the alumni ranked the sponsorship experience an 8.4 out of 10.0.

Alongside Identify, our Global Women’s Network ERG held four events over the year, sharing insights and offering mutual support. Promoting more women into leadership will contribute to the long-term sustainability of our business, ensuring diversity of thought informs decisions and maximises growth opportunities.

Global Women’s Network Events

Date	Name of event	Total attendance
March	SThree International Women’s Day	200
June	Building a Career While Building a Family	240
September	Growing Your Network	390
December	Effective Conversations	287
Total		1,117

Improving representation in leadership, particularly sales leadership, will play a critical role in addressing our gender pay gap which is detailed below.

Gender diversity profile as of 30 November 2024

	Total	Men		Women	
		Number	%	Number	%
Board of Directors including Non-Executive Directors	7	4	57%	3	43%
Executive Committee	10	7	70%	3	30%
Executive Committee minus one	80	43	54%	37	46%
Other employees	2,645	1,286	49%	1,359	51%
Total	2,742	1,340	49%	1,402	51%

For more information on the composition of our Board of Directors: see pages 96 to 97.

FTSE 250 Women Leaders

We were delighted to perform well in this year’s FTSE 250 Women Leaders review where we were the highest placed recruitment firm for representation of women at senior leadership level.

Identify women’s talent programme*

736 hours
of learning completed by Identify participants

106 hours
of mentoring provided

11
development opportunities

* Programme to conclude in February 2025.



I was able to work with my mentor on leading with confidence and conviction and understanding that even if my decision isn’t the right one to some, I can still pivot and grow. I am proud to say as a result of working with my mentor, I am not only more confident in my ability to lead my team – but I have the skills to develop confident leaders around me.

Christen Roberts
Director, Progressive Houston

Global gender pay gap analysis

Since April FY17, we have been reporting our UK gender pay data on an annual basis and this is the third year reporting our gender pay gap globally.

Our methodology

All employees who were active on 30 November 2023 have been included in the analysis. The criteria for inclusion adhered to the same methodology as the previous year, aligned to the UK gender pay gap analysis guidelines.

Metrics used to measure our global gender pay gap are: median (the middle value of a list ordered from highest to lowest), mean (adding up all the numbers and dividing the result by the total data points), and the proportion of employees who identify as women and men in each quarter of the group from highest to lowest paid.

Findings

This year we experienced another decrease in the SThree global gender pay gap. The median gap decreased from 7.3% to 3.5% and the mean gap decreased from 12.6% to 6.0%. This means women earn £0.96 for every £1 that men earn when comparing median hourly pay and £0.94 for every £1 that men earn when comparing average hourly pay. This decrease has been primarily influenced by countries such as UAE, USA and the UK where we have seen the biggest decreases in gaps for both median and mean pay gaps.

In Belgium, Germany, the Netherlands and Switzerland one of the metrics, the average pay gap, has seen a significant decrease.

There was no increase in the representation of women in the upper quartile, a slight increase in their representation in the middle quartiles, and a five percentage point decrease in the lower quartile. The graph below illustrates these changes, which account for the reduction in gaps observed this year.

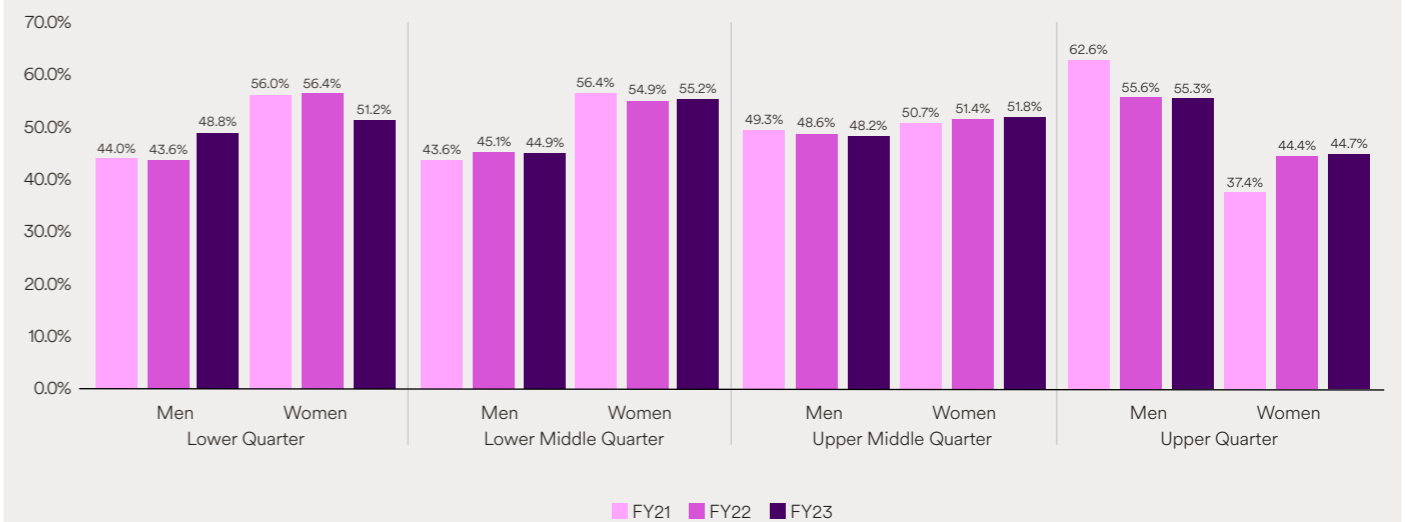
The existing gap is primarily attributed to the continued predominance of men in senior roles, who not only received salary increases throughout FY23 but also earned higher bonuses compared to their female counterparts during the relevant pay period.

The calculation of the global gender pay gap incorporates bonuses awarded in the snapshot month of November 2023. In that month, the total bonuses awarded to women amounted to £1.85 million, while men received £2.83 million. This disparity influences both the median and average pay gaps, particularly in Germany, USA and the UK.

At a global level, women represent 52% of our workforce, a slight decrease from 53% last year.

This year we experienced a slight increase of the global median bonus pay gap, which rose from 52.9% to 58.6%. This is driven by countries like Austria, Switzerland and UAE where the gaps between bonuses received by men and women increased slightly. The mean bonus pay gap has remained unchanged and women earn £0.41 for every £1 earned by men when comparing median bonus pay, and £0.54 for every £1 when comparing mean bonus pay. The persistent gap is primarily attributed to the disproportionate representation of men in senior roles, which contributes to the higher value of bonuses awarded to them.

The global proportion of men and women receiving bonuses has decreased from 90.1% to 85.4%. This is because employees who joined at the end of FY23 did not receive any bonuses or commissions. It is also worth mentioning that the higher proportion observed in the previous year was attributed to the cost-of-living bonus payment awarded at the end of FY22, which impacted the number of employees receiving bonuses.



Strategic progress

People continued

Leadership development and talent management

To improve leadership development and talent management we continue to invest in our leadership population and FY24 saw the introduction of three key programmes:

- C-Suite programme in partnership with Deloitte to further enhance ways of working as ‘one team’ to deliver extraordinary group results;
- Top 40 in partnership with Deloitte to improve organisational health and succession planning for our most senior sales roles; and
- Top 100 in partnership with St Gallen to improve individual capability and transferable skills leading to succession planning for our senior core function roles.

The programmes targeted key activity where we want our leaders of the future to excel. This included growth and strategic sales, customer centricity, leading in a digital world as well as wellbeing, inclusion and resilience. Each part of the programme is sponsored by an ExCo member. They informed the content to make it specific to SThree and they also took part in each masterclass. The programmes will evolve over the coming years. Together, they will build a pipeline of succession across our C-Suite and our critical senior sales and core function roles. Our talent management process continues to be the nine-box matrix with more of a focus on talent movement and robust personal development plans that will stretch and further develop core skills. In FY25, we will also introduce a new leadership index measurement to baseline leadership performance including our new behavioural framework that will further develop capability and improve organisational performance.

Empowering employees’ careers

In FY24, we strengthened our approach to performance management and professional development for all employees. This included a number of improved developments across our offering:

- For sales colleagues we introduced and piloted a new sales performance management tool and process which ensures every employee has a clear understanding of our expectations, their performance standards, objectives and areas of personal development.

- We have been working with Thomas Assessment International to define an ideal job profile based on correlation between performance and psychometric testing data. We have established an ideal consultant profile composed of personality and behavioural traits that we can use to benchmark our sales candidates against. We have been piloting this since June 2024 in four countries and early results confirm that our ideal job profile generates more revenue and stays longer at SThree. In FY25, we are extending the pilot to all our countries and hoping to see a direct impact on new starters retention and productivity.
- We invested in the development of our sales blueprint and award-winning Elements onboarding programme to ensure every employee receives a strong introduction, training and skills development when joining the business or being promoted into new roles. In FY24, 23,694 hours of onboarding training were delivered, with a focus on ten core recruitment skills and conversational AI-generated assessments. The programme has been piloted in the second part of the year in some countries with great feedback from both new starters and their managers.
- Our core function team are critical to the success of the business, so it is crucial they are well supported and feel confident they can enjoy successful careers at SThree. We therefore introduced a Personal Development Planning (PDP) programme where people in our core function can take learning modules and have one-to-one career conversations with managers to ensure they understand the opportunities for career development and progression available here and have the skills to pursue their goals.

We will be starting FY25 by continuing the roll-out of these initiatives globally, ensuring that by the second part of the year, all regions are hiring, onboarding and managing performance in an efficient and consistent way. We believe these should impact positively our retention and productivity for our most junior sales colleagues from H2 FY25.

Values roll-out to deliver a high-performance culture

Having developed and introduced our values to our people in autumn FY23, we raised awareness of them through employee and leadership workshops in the first half of this year. H2 focused on deepening that understanding with the roll-out of a new behavioural framework. These behavioural measures will help everyone become familiar with our values and guide their decision making.

Hybrid working

Alongside regional approaches relevant to local culture and legislation, we are adopting some global principles to hybrid working. Sales teams in every region now come into the office three days a week. This fosters collaboration and the team contact is particularly important for the skills development of new-hires and driving a high performance culture.



We have a comprehensive change management programme which encompasses communications, training and support to ensure that successful adoption and embedding of the solution to enable benefits realisation.

Robert Drummond
Strategic Change Director

Initiatives and immediate priorities for FY25

We have a packed agenda for the year ahead. We aim to further embed the behavioural framework to underpin our values and continue to run leadership programmes to develop current and future leaders. We will introduce a new leadership index measurement to baseline leadership performance. Progress in the Technology Improvement Programme will allow us to launch new talent acquisition tools, a new HCM and use data insights to support a high-performance culture.

Strategic progress

Position



The new CRM’s sales best practice prompts reduce the management time spent guiding less experienced members of the team. More manager attention can be devoted to considering data protection, intellectual property and ensuring the system doesn’t exhibit bias.

Jelte Hacquebord
Chief Commercial Officer



Laser-focused on customers

Everything we do is dedicated to better meeting the needs of clients, so we continue to be recognised as the place to come for STEM talent.

House of Brands portfolio

We continued to refine our House of Brands positioning, defining each company brand as a sector or skills specialist. We have been developing an endorsement strategy to create a closer link between our House of Brands and the corporate SThree umbrella brand. The combination of sector and skill specialism with the quality, scale and resources SThree is known for, is a compelling offer for clients and candidates alike.

Sales Excellence programme

We want it to be easy for clients and candidates to deal with us. Last year, we refreshed our global standards on how we serve clients.

This year we started building this best practice into our processes. Working with the Technology Improvement Programme team, we are designing the new CRM system to offer our consultants prompts on optimal actions depending on where they are in a sale.

The new CRM means the full potential of the Group’s resources, and our global network of candidates, is now available to all our consultants. Combined with a drive to build deeper relationships with large clients, so we can meet more of their needs, the new focus is paying off. Our top 20 clients business grew by 8% last year against general client turnover declining by 8% on a like-for-like basis.

Encouraging people into STEM

We continue to build STEM talent communities with workshops and events, and we run outreach programmes to schools to raise awareness of STEM career opportunities. One example is our partnership with Bridge of Hope, a talent pool of 75,000, hard-to-reach, diverse candidates we now consider for both internal and client recruitment along with our more traditional sources.

Plans for FY25

We aim to launch the endorsement strategy and we will continue to input into the design of the improved CRM as the new Sales Excellence programme is rolled out.

Performance in line whilst challenging conditions persist

In FY24, the Group was impacted by increased political and macro-economic uncertainty, particularly in Europe, further delaying businesses' investment plans and the anticipated easing of market conditions. The Group's net fees performance, down 9% YoY on a like-for-like basis, was therefore significantly impacted by the continued weak new business activity, partially offset by robust contract extensions.



Income statement

On a reported basis revenue for the year was down 10%¹ and amounted to £1.5 billion (FY23: £1.7 billion) while net fees declined by 12% to £369.1 million (FY23 £418.8 million). The weakening of our two main trading currencies, the US Dollar and the Euro, against Sterling during the year, decreased the total net fees by £9.5 million. Therefore, when presented on a constant currency basis, the net fees decreased by 9% YoY.

Net fees in our Contract business, which represented 84% of the Group net fees for the current year (FY23: 84%), declined by 7%, driven by the ongoing softness in new business but partially offset by continued strong contract extensions. Across our core regions, Netherlands (including Spain) saw a decline of 2% in Contract net fee income, driven by Engineering, down 3% YoY. In the US, Contract net fees, which now account for over 90% of the region total net fees, were down 11% YoY primarily due to its exposure to Life Sciences, while DACH was down 6%, reflecting softer demand for Technology skills. Rest of Europe's Contract performance was down 11% YoY. Middle East & Asia was down 15%. Skills-wise, Engineering was flat YoY, with Life Sciences down 16% and Technology down 7%, reflecting global market conditions. The Group Contract net fee margin, calculated as Contract net fees as a percentage of Contract revenue² remained flat YoY at 21.7% (FY23: 21.7%).

The contractor order book³ closed at £161.3 million, down 10% YoY, and accounts for approximately four months' worth of net fees, providing us with good

forward visibility into FY25. Under the contractor model, net fees are earned on a month-by-month basis, with the contractor order book reflecting the value of net fees under contract but yet to be recognised. During softer market conditions, this provides resilience with visibility over the recurring-like nature of monthly contract fees as contracts run their course (contract 'finishers'). In a market recovery context, the Board would expect the contractor order book to gradually increase as and when new placements outpace finishers over a sustained period through the year.

Permanent net fee income was down 18% reflecting market conditions across most regions, together with our targeted investment towards Contract. Our largest Permanent region, DACH, reported a decline of 28%. Rest of Europe was also down 41%, and USA down 24%. Netherlands (including Spain) declined 5% YoY. Meanwhile our second largest Permanent region, Middle East & Asia, delivered a strong performance with growth of 14%. Permanent average fees increased by 9% YoY in the year, with average permanent fee margin (net fees as a percentage of salary) now at 27.2% (FY23: 27.1%).

Operating expenses decreased by 12% YoY on a reported basis, amounting to £302.9 million (FY23: £342.4 million) due to careful management of costs. Overall, the reported operating profit was £66.2 million (FY23: £76.4 million), down 9% YoY in constant currency, while the Group operating profit conversion ratio² remained stable at 17.9% (FY23: 18.2%).

Operating profit
 2023: £76m

£66m

Net fees
 2023: £419m

£369m

Operating profit conversion ratio reflects the decline in net fees across key markets, as well as the impact of additional licensing costs as the Technology Improvement Programme continued to roll out this year, offset by prudent management of discretionary costs. The net currency movements versus Sterling were unfavourable to the operating profit, reducing it by £3.0 million. Fluctuations in foreign currency exchange rates are expected to remain a material sensitivity to the Group's reported results. By way of illustration, each 1% movement in annual exchange rates of the Euro and US Dollar against Sterling impacts the Group's operating profit by £0.8 million and £0.3 million respectively per annum.

Net finance income

The Group received net finance income of £1.4 million (FY23: £1.6 million) which included interest income of £2.9 million (FY23: £2.2 million), earned on the Group's bank deposits, partially offset by the interest charge on lease liabilities, £1.4 million (FY23: £0.6 million).

Income tax

The total tax charge for the year on the Group's profit before tax was £19.9 million (FY23: £21.9 million), representing a full-year effective tax rate (ETR) of 26.5% (FY23: 28.1%). The YoY decrease in the Group's ETR is primarily driven by the release of an uncertain tax provision following settlement of the state aid case heard at the European Court of Justice. The Group ETR can also vary YoY due to the mix of taxable profits by territory, non-deductibility of the accounting charge for LTIPs and other one-off tax items.

1. Unless specifically stated, all growth rates in revenue and net fees are expressed in constant currency.

2. The Group has identified and defined certain alternative performance measures (APMs). These are the key measures the Directors use to assess the SThree's underlying operational and financial performance. The APMs are fully explained and reconciled to IFRS line items in note 26 to the consolidated financial statements.

3. The contractor order book represents value of net fees until contractual end dates, assuming all contractual hours are worked.

Chief Financial Officer's statement continued

FY24 Group performance highlights:

Continuing operations	FY24	FY23	Variance	
			Reported	Like-for-like ⁴
Revenue (£ million)	1,492.9	1,663.2	-10%	-8%
Net fees (£ million)	369.1	418.8	-12%	-9%
Operating profit (£ million)	66.2	76.4	-13%	-9%
Operating profit conversion ratio	17.9%	18.2%	-0.3% pts	+0.1% pts
Profit before tax (£ million)	67.6	77.9	-13%	-9%
Basic earnings per share (pence)	37.4	42.4	-12%	-8%
Proposed final dividend per share (pence)	9.2	11.6	-21%	-21%
Total dividend (interim and final) per share (pence)	14.3	16.6	-14%	-14%
Net cash (£ million) ⁵	69.7	83.2	-16%	-16%

4. Variance compares reported results on a constant currency basis, whereby the prior year foreign exchange rates are applied to current and prior financial year results to remove the impact of exchange rate fluctuations.

5. Net cash represents cash and cash equivalents less bank borrowings and bank overdrafts and excluding leases.

Overall, the reported profit before tax was £67.6 million, down 9% YoY in constant currency and down 13% on a reported basis (FY23: £77.9 million).

The reported profit after tax was £49.7 million, down 7% YoY in constant currency and down 11% on a reported basis (FY23: £56.1 million).

Earnings per share (EPS)

The EPS was 37.4 pence (FY23: 42.4 pence). The YoY movement is attributable to the overall resilient trading performance in difficult market conditions, combined with lower average headcount, tight cost control and net interest income, partially offset by an increase of 0.7 million in the weighted average number of shares.

The diluted EPS was 37.1 pence (FY23: 41.5 pence). Share dilution mainly results from various share options in place and expected future settlement of vested tracker shares. The dilutive effect on EPS from tracker shares will vary in future periods, depending on the profitability of the underlying tracker businesses and the settlement of vested arrangements.

Dividends

The Board monitors the appropriate level of dividend, considering achieved and expected trading of the Group, together with its balance sheet position. The Board aims to offer shareholders long-term ordinary dividend growth within a targeted dividend cover² range of 2.5x to 3.0x through the cycle.

The Board has proposed to pay a final dividend of 9.2 pence (FY23: 11.6 pence) per share, which together with the interim dividend of 5.1 pence (FY23: 5.0 pence) per share, will give the total dividend of 14.3 pence (FY23: 16.6 pence) per share for FY24.

The final dividend, which amounts to approximately £12.2 million, will be subject to shareholder approval at the 2025 Annual General Meeting. It will be paid on 6 June 2025 to shareholders on the register on 9 May 2025.

Balance sheet

Total Group net assets increased to £248.6 million (FY23: £222.9 million), driven by the excess of net profit over the dividend payments and £5.1 million increase in intangible assets attributable to development costs capitalised under the TIP, partially offset by cost of shares purchased by the Employee Benefit Trust (EBT).

Net working capital, including contract assets, increased by £21.7 million on the prior year, driven by increased days sales outstanding (DSO) partially offset by the slowdown in trading, including reduced contractor order book. The year-end net cash position of £69.7 million was robust; the YoY decline reflected the timing of certain client payments related to a small number of clients. As we roll out TIP in each new market, there is a short-term impact as clients get used to a new billing process. It has created a little volatility as we roll out each market, but what we see is that it returns towards more normalised levels over a period of months.

In FY24, it resulted in a temporary increase in DSO to 55 days (FY23: 46 days), but we expect to continue to return to a more normalised cash flow profile over the coming months.

Overall, our business model remains highly cash generative, and we have no undue concentration of repayment obligations in respect of trade payables or borrowings.

Investments in subsidiaries

The subsidiary undertakings principally affecting the profits and net assets of the Group are listed in note 25 to the Consolidated Financial Statements.

During the year, the Directors reviewed the recoverable amount of the Company's own portfolio of investments. Due to the prolonged challenging market conditions, in December 2024 the Group announced a downgrade to the forecast trading outlook for the Group. As a result, an impairment loss of £46.5 million was recognised in respect of the UK operations. In FY24, both Permanent and Contract divisions across all sectors experienced reduced margins impacting the profitability of the UK region. After booking this impairment, the Company's distributable retained earnings were £44.4 million (FY23: £118.4 million).

For all the other Company's investments in trading subsidiaries, despite the latest trading forecasts having been revised downwards compared to expectations, their impact was absorbed by significant headroom in the recoverable amounts which had accumulated in prior years.

The recoverable amounts of the Company's investments in non-UK subsidiaries provided sufficient headroom to not trigger impairment.

In the prior year, an impairment loss of £0.1 million was recognised by the Company in relation to two discontinued businesses, Luxembourg and Canada.

Tracker shares

In FY24, the Group settled certain vested tracker shares for a total consideration of £4.8 million (FY23: £4.5 million) which was determined using a formula set out in the Articles of Association underpinning the tracker share businesses. The consideration was settled in SThree plc shares; 508,396 (FY23: 320,457) new shares were issued and 776,000 (FY23: 928,483) of shares held by the EBT were utilised. The arrangement is deemed to be an equity-settled share-based payment arrangement under IFRS 2 Share-based payments. There was no charge to the income statement as initially the tracker shareholders subscribed to the tracker shares at their fair value.

All current tracker share businesses remaining in existence will continue to be reviewed for settlement based on the pre-agreed criteria each year, until the full closure of the scheme in the next few years. As at the year end, the valuation of the outstanding shareholdings was approximately £2.1 million. These settlements may either dilute the earnings of SThree plc's existing ordinary shareholders if funded by a new issue of shares or result in a cash outflow if funded via treasury shares or shares held in the EBT.⁶

Liquidity management

In FY24, cash generated from operations was £59.8 million (FY23: restated £86.9 million, see note 1 to the consolidated financial statements for details). The decrease was primarily driven by lower profit before tax and a significant increase in working capital as the rate of new placement activity slowed, partially offset by robust Contract extensions. Income tax paid increased to £23.0 million (FY23: £19.5 million).

Capital expenditure increased to £13.2 million (FY23: £8.2 million), due to the Group-wide TIP and related IT hardware costs. The capital expenditure also included costs of leasehold improvements and fitting out certain parts of our office portfolio.

The Group paid £14.4 million in rent (principal and interest portion) (FY23: £14.9 million). The Group spent £10.0 million (FY23: £10.0 million) for the purchase of its own shares to satisfy employee share incentive schemes. Cash inflows of £0.5 million (FY23: £0.3 million) were generated from the Save-As-You-Earn employee scheme.

Dividend payments were £15.9 million comprising primarily the final dividend paid in June 2024. This is significantly lower as compared to FY23, when in total £21.0 million in funds were transferred to the share administrator for settlement of the FY23 interim dividend and the FY22 final dividend. £21.0 million in funds transferred for the settlement of dividends in FY23 is a restated amount, reduced by £6.4 million. During the year, the Directors identified a presentation error of the FY22 interim dividend in the FY23 Consolidated Statement of Cash Flows. £6.4 million worth of funds, required for the settlement of the FY22 interim dividend, were transferred to a share administrator before 30 November 2022; this was recorded as a dividend prepayment within trade and other receivables and as an operating cash outflow in FY22. Subsequently, it was determined that £6.4 million accounted for as a dividend prepayment and operating cash outflow in FY22 should have been presented within financing activities in the FY22 Consolidated Statement of Cash Flows, in a separate line item 'Prepayment of dividend', to reflect appropriately the nature of this cash outflow. Accordingly, this £6.4 million would not have impacted the FY23 Consolidated Statement of Cash Flows. For further information, please see note 1 to the Consolidated Financial Statements.

Foreign exchange had a negative impact of only £0.1 million (FY23: positive impact £2.1 million).

Overall, the net cash has declined to £69.7 million in FY24 versus the prior year balance of £83.2 million, driven primarily by reduced EBITDA and increased investments in technology.

Accessible funding

The Group's capital allocation priorities are financed mainly by retained earnings, cash generated from operations, and a £50.0 million RCF. This has remained undrawn during the year, but any funds borrowed under the RCF would bear a minimum annual interest rate of 1.2% above the benchmark Sterling Overnight Index Average.

The Group also maintains a £30.0 million accordion facility as well as a substantial working capital position reflecting net cash due to SThree for placements already undertaken.

At the end of the current financial year, the Group had not drawn down any of the credit facilities (FY23: £nil).

On 30 November 2024, the Group had total accessible liquidity of £124.7 million, made up of £69.7 million in net cash (FY23: £83.2 million), the £50.0 million RCF and a £5.0 million overdraft facility (of which only £0.1 million was drawn at the year end).

Capital allocation

SThree remains disciplined in its approach to allocating capital, with the core objective at all times being to maximise shareholder value. The Group's capital allocation policy is reviewed periodically by the Board and was refreshed at the start of FY24:

- Balance sheet – our intention is to maintain a strong balance sheet at all times to provide operational flexibility throughout the business cycle.
- Dividend – we aim to pay a sustainable dividend, with a commitment to a through-the-cycle dividend cover range of 2.5x to 3.0x of EPS.
- Deployment of capital prioritised in the order of:
 1. Organic growth: investing in our people and ensuring sufficient working capital on hand to fund growth in the contractor order book while developing new business opportunities.
 2. Business improvement: digitalising our business, putting in place the technology and tools that are key to driving both scale and higher margins.
 3. Acquisitions: strict inorganic growth discipline, with a focus on complementary and value enhancing acquisitions.
 4. Capital return to shareholders: after all organic and inorganic opportunities within an appropriate, time horizon have been assessed, further cash returns to shareholders may be considered.

Andrew Beach

Chief Financial Officer
27 January 2025

6. Notes 11 and 19 to the financial statements provide further details about the Group-wide tracker share arrangements.

DACH



A more focused client approach that allowed us to scale the relatively buoyant Public Sector, Defence and Energy sectors.

Christophe Zwaenepoel
Managing Director – DACH

Group net fees

35%

Impact of global megatrends

New working models are making a definite impact. In contrast to Permanent, we continue to see growth in clients' demand for independent contractors (IC) and our Employee Contractor Model (ECM) solution, both of which remained strategically important in FY24 and are reflected in our investments. Demographic changes and the pandemic have accelerated the urgency for business transformation. All industries are digitalising which means that AI, data security and cloud are becoming more and more important. We grew our global Energy team in response to increased client investment in decarbonisation.

FY24 performance highlights

Market conditions were tight in Germany but we outperformed our larger competitors by focusing more on IC and ECM, investing in the right teams and industries, and having a more focused client approach that allowed us to scale the relatively buoyant Public Sector, Defence and Energy sectors.

DACH region saw net fees decline by 12% YoY, with Contract down 6% and Permanent down 28%. Germany, our largest country in the region (88% of

DACH net fees), saw Contract down 6%, with overall net fees down 12%, predominantly reflecting lower levels of demand for Technology skills (down 13%). In addition, new business activity and trading in Germany were affected by the fragile state of the German coalition government in Q4 FY24. The recruitment sector in Germany is highly cyclical and sensitive to business sentiment and geo-political tensions. Switzerland saw net fees decline 7% YoY driven by Life Sciences down 26%, though we did see strong growth in Engineering, up 42% YoY. Austria net fees declined 18% YoY.

Our people

We are focused on how we improve attraction, productivity and retention so employees generate profit sooner after joining SThree. To develop our consultants' specialist expertise we arrange networking and educational events dedicated to a particular sector or skill where our teams have the opportunity to hear and meet experts. One of these get-togethers, for example, focused on how pharmaceutical companies are adapting to utilise AI. We also have a candidate-led team based in Germany whose task is to build up candidate communities by sector or skillset.

We run social media campaigns developed by our marketing department which build candidate communities online as well as encourage our people to recommend friends as potential candidates and consultants. Physical presence in market is still important so we attend sector job fairs that have a focus on STEM talent.

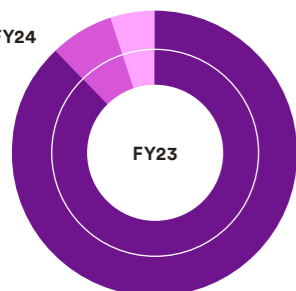
Our team development programmes have been building essential skills, like stress resistance and professional sales and communications, with the expertise of leading institutions including Kienbaum and the University of St. Gallen. As we adopt the new ways of working made possible by the Technology Improvement Programme we are giving our teams training in Sales Excellence and applying the SThree blueprint.

Reasons for confidence

Demographic changes and the war for STEM talent will only increase as all sectors transform their business models and move towards more automation through digitalisation. People with STEM skills are providing the answers to many of the risks the world is facing. For as long as that is the case, there should be strong demand for our services.

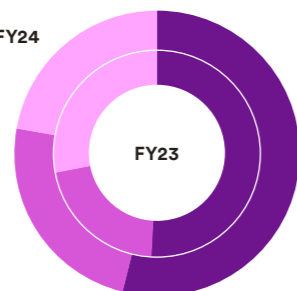
Net fees mix by country

FY24	FY23	
88%	88%	Germany
7%	7%	Switzerland
5%	5%	Austria



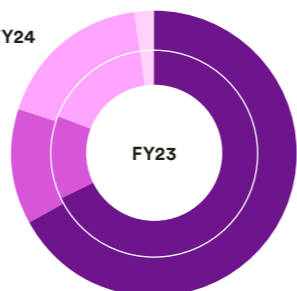
Net fees mix by service

FY24	FY23	
54%	51%	Independent contractors
24%	21%	ECM
22%	28%	Permanent



Net fees mix by skills

FY24	FY23	
67%	68%	Technology
13%	13%	Life Sciences
18%	17%	Engineering
2%	2%	Other ²



FY24 Performance Highlights

	FY24	FY23	Variance	
			Reported	Like-for-like ¹
Revenue (£ million)	456	525	-13%	-11%
Net fees (£ million)	127	149	-14%	-12%
Average total headcount (FTE)	811	877	-8%	n/a

1. Variance compares FY24 against FY23 on a constant currency basis, whereby the prior year foreign exchange rates are applied to current and prior financial year results to remove the impact of exchange rate fluctuations.
2. Primarily Banking & Finance, Procurement & Supply Chain and Sales & Marketing.

USA



There is no stronger economy than the USA and the country has all the characteristics that reward our business model: world leading STEM employers with high demand for talent, and a flexible workforce willing to change jobs.

Matt McManus
Managing Director – USA

Group net fees

22%

Impact of global megatrends

Demographics in the US has a much more future-proof profile than that of most developed countries. As boomers retire, solid birth rates and skilled immigration make up the shortfall.

Compared to previous years, adoption of new working models has reversed. After a surge in home office roles, their share has been steadily declining. On Permanent, for example, home office share fell from 30% at the start of the year to just 16%. Now that jobs and candidates need to be in the same economic zone again, we reshaped our sales territories to create local candidate networks.

Most clients have clear aims for decarbonisation and utilities have laid out ambitious paths to net zero, often by 2040. In Texas and New Mexico, for example, oil companies have invested into major renewable projects, making use of the state's favourable geography. This should lead to demand for talent across the whole value chain.

Over the course of FY24, we saw a slow but steady recovery in demand for digitalisation. In the medium term, this sector is set to grow by low double digits each year. With code being written by AI, and testing cycles being shortened, contract durations on software

development have changed, but this remains a dynamic and attractive market segment. We have unified our brand model and simplified our Tech offering to capture this growth.

FY24 performance highlights

Overall, the US net fees declined by 12% YoY with trading partly reflecting uncertainty throughout the year relating to the US election at the end of Q4. At the skill level, the decline was led by Life Sciences where an abundance of roles during the pandemic has led to a subsequent decline in demand. Engineering delivered a solid performance with 5% growth YoY driven by both Contract and Permanent. Contract net fees, which now account for 90% of the region's net fees, were down 11%, impacted by declines in Life Sciences and Technology. Permanent net fees declined 24% YoY, due to poor performance in Life Sciences.

Our people

We work hard to make sure we remain an attractive employer. That means investing in our offices to make them inspiring places and great learning environments. We also invest in our people's development, with a range of programmes from mandatory anti-harassment training to executive coaching.

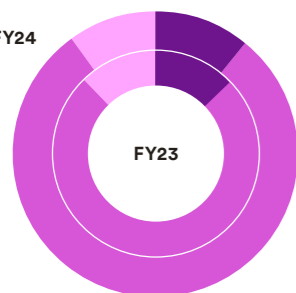
Our local network approach makes sure we are more than just a company that finds projects and takes care of the paperwork and payroll. We develop candidate communities, including groups for everyone at a particular client site. In this way, we become trusted long-term partners, closely attentive and responsive to each candidate's individual aspirations.

Reasons for confidence

There is no stronger economy than the USA and the country has all the characteristics that reward our business model: world leading STEM employers with a high demand for talent, and a flexible workforce willing to change jobs. The US president election outcome is widely expected to lead to a reduction in corporation tax and the general market expectation is that the new administration will boost business confidence. Within a month of the election result, the new STEM jobs advertised figure has risen to its highest level in 19 months. We are in the right markets, such as Energy sector, and we are already serving great customers with highly skilled individuals. Some of our largest clients have highly inelastic demand, shielding us from any overall decline, whilst we have a great portfolio of clients to capture resurging demand. Now we are supported by probably the best platform in the industry, we are highly confident in the long-term demand for our services.

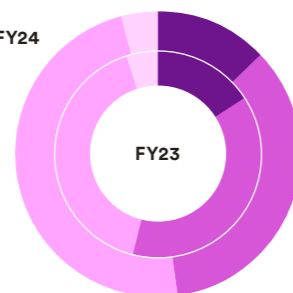
Net fees mix by service

FY24	FY23	
11%	13%	Independent contractors
79%	75%	ECM
10%	12%	Permanent



Net fees mix by skills

FY24	FY23	
13%	16%	Technology
35%	38%	Life Sciences
48%	41%	Engineering
4%	5%	Other ²



FY24 Performance Highlights

	FY24	FY23	Variance	
			Reported	Like-for-like ¹
Revenue (£ million)	299	328	-9%	-6%
Net fees (£ million)	82	96	-15%	-12%
Average total headcount (FTE)	411	473	-13%	n/a

1. Variance compares FY24 against FY23 on a constant currency basis, whereby the prior year foreign exchange rates are applied to current and prior financial year results to remove the impact of exchange rate fluctuations.
2. Primarily Banking & Finance, Procurement & Supply Chain and Sales & Marketing.

Netherlands & Spain



// **Despite the economic challenges, there were still opportunities for growth, particularly in sectors undergoing transitions, such as Energy, Healthcare, and Construction.**

Margot van Soest
Managing Director – Netherlands & Spain

Group net fees

21%

Impact of global megatrends

The Netherlands is among the most digitally advanced countries globally, with increasing online activities for work, shopping, and social interactions. Digital systems are now central to Dutch society, offering numerous opportunities for growth but also posing risks across industries. Generational shifts will become a major driver behind change, but we don't see them, or the implementation of new working models, impacting in the short term. The most significant effects of megatrends are anticipated in Research-led Healthcare and the Decarbonisation of the energy industry. However, economic uncertainties, as well as high energy, material and labour costs, have delayed projects and budget releases.

FY24 performance highlights

The region saw net fees decline by 2% YoY, with Contract down 2% and Permanent down 5%. The Netherlands, our largest country in the region (90% of net fees), delivered a resilient performance despite an ongoing challenging macro environment resulting in a drop in new hiring demand. Overall net fees generated in the Netherlands were down 6%, with Contract down 6% and Permanent down 5%.

From a sector perspective, Technology in the region was flat, Engineering was down 4% and Life Sciences was down 5%.

Spain had another impressive year, with net fee growth of 52% driven primarily by Technology.

Our people

We offer a range of employee development programmes for people at every stage of their careers at SThree. At the outset, we use assessments to ensure we hire candidates likely to succeed and enjoy their roles. Our revised onboarding programme includes thought leadership to equip new starters for their assigned markets. We created Empower, quarterly community meet-ups with mentoring and role modelling from senior staff, for employees with 6–18 months of tenure. These facilitate sharing best practice and the recapping of training content. Employees with over 24 months of tenure receive a tailored training run through our Client Academy which focuses on developing negotiation skills and building client relationships. Our Manager Bootcamp course helps new managers understand their roles and responsibilities and provides them with essential tools and peer-to-peer learning across brands. Lastly, the Deloitte leadership programme and Kienbaum assessments develop our senior leaders and our most senior directors.

Reasons for confidence

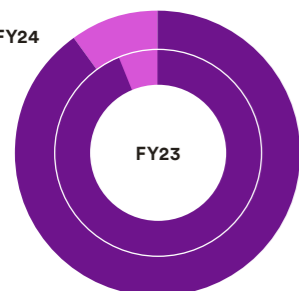
In our region, we foresee increased demand for STEM services. With our renewed Tech proposition and targeted client model, we aim to boost our Tech brands/division. Energy production in the region includes solid fuels, natural gas, crude oil, nuclear and renewables (hydro, wind and solar). The Netherlands will balance its mix with more investments in Renewables and Nuclear energy, shifting from natural gas (currently 53%) to Blue and Grey Hydrogen. In Spain, high demand exists in the chemical industry (Cepsa, Repsol, Acciona) and renewables (Iberdrola).

Dutch Life Sciences Trend Analysis for 2024 shows the market is slowly picking up. The industry is predicted to grow over the next few years, driven by venture capital and increasing demand in the dedicated Life Sciences space. Although projects from J&J, MSD and Bristol Myers Squibb are on hold, we have indications that Q4 FY25 will bring an increase in demand.

A continuing trend shows that blue-chip clients, particularly in Energy and Life Sciences, are managed via the specialised services models, including MSP (managed service provider) where we have focus and strength.

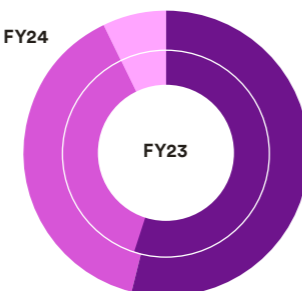
Net fees mix by country

FY24 FY23
● 90% 94% Netherlands
● 10% 6% Spain



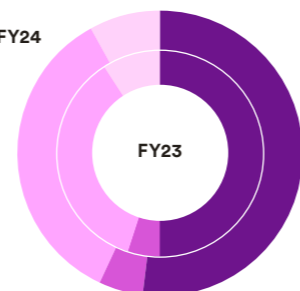
Net fees mix by service

FY24 FY23
● 54% 55% Independent contractors
● 39% 38% ECM
● 7% 7% Permanent



Net fees mix by skills

FY24 FY23
● 52% 50% Technology
● 5% 5% Life Sciences
● 35% 36% Engineering
● 8% 9% Other²



FY24 Performance Highlights

	FY24	FY23	Variance	
			Reported	Like-for-like ¹
Revenue (£ million)	344	368	-7%	-4%
Net fees (£ million)	79	82	-4%	-2%
Average total headcount (FTE)	411	422	-3%	n/a

1. Variance compares FY24 against FY23 on a constant currency basis, whereby the prior year foreign exchange rates are applied to current and prior financial year results to remove the impact of exchange rate fluctuations.
2. Primarily Banking & Finance, Procurement & Supply Chain and Sales & Marketing.

Rest of Europe



// **We are optimistic that AI, a transformative technology, has high potential to drive growth through enhanced productivity and creation of innovative products across various industries. AI is also becoming a strategic imperative for SThree's competitiveness and its future growth.**

Rakesh Patel
Managing Director – UK, France & Belgium

Group net fees

17%

Impact of global megatrends

The RoE region benefits from a large concentration of technological firms leading on artificial intelligence (AI) and generative AI (GenAI) transformation, as a means to boost economic growth over the next decade. AI implementation will lead to the enhanced productivity through cost reductions and development of new products, which will in turn affect investment strategies creating new tasks and occupations. New technology investment strategies are also on the rise in the French financial sector, mainly in response to the growth in the digitally-savvy consumers. France's banking industry is transforming, merging traditional banking practices with agile digital solutions. Sustainability issues also create a unique opportunity for us to play a crucial role in helping clients make meaningful progress towards net zero transition. In Belgium, we see the increased local policy support – government subsidies and tax reliefs – for investment in green technologies. In response, Belgian businesses are stepping up investment with clearly outlined financial benefits and raised 'green' targets.

Through provision of its recruitment and technical services, our RoE region helps clients to bridge their STEM skill gaps and position them at the forefront of these technological advancements.

FY24 performance highlights

Each of the above trends represents profitable business lines for the RoE region. However, in the short term, given the persistent market uncertainty, business confidence remains subdued causing many large projects to be put on hold. In FY24, the new deal activity in RoE declined materially, partially offset by strong current order book momentum. This had a significant impact on the average placement volumes per consultant. The total net fees for the region were 12% down YoY.

The UK, the largest country in the region, saw net fees decline 14%, with growth in Engineering, up 4% YoY, outweighed by declines in Life Sciences, down 22%, and Technology, down 10%. France and Belgium traded broadly in line with the prior year, with net fees flat and down 1% respectively.

Our people

The RoE's goal is to enhance its people's careers and potential to drive SThree's ongoing success. To drive higher productivity and improve employee retention, the region rolled out training and upskilling for sales leaders and an onboarding programme for new consultants. The onboarding was accompanied by the roll-out of a new career mapping tool.

This helps guide our consultants in how to identify their strengths and weaknesses, set achievable goals and build their career paths. To ensure a successful completion of the Group-wide digital transformation, we continued to build our people's digital and cognitive skills which they need to interact with the new advanced systems. Finally, to future-proof the careers of our people in core functions, we launched a pilot mentoring programme in the UK, connecting individuals with experienced mentors in their chosen fields.

Reasons for confidence

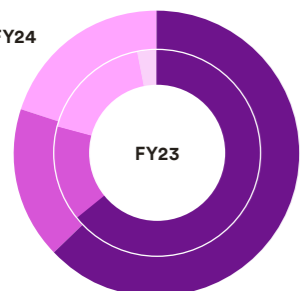
Looking ahead, the RoE region will remain highly customer focused: supported by the implementation of local client strategies, we are well prepared to closely monitor clients' long-term objectives and investment priorities.

Once markets and business confidence recover, we will continue to support our medium-term profit growth ambitions via disciplined headcount investment in markets with the highest potential, and aligning our consultants along clear skill verticals. In the UK, we anticipate that the growth in Technology sector will resume in FY25, with many opportunities in GenAI and Health Tech; in France, we will reinforce our Tech proposition to match evolving opportunities in the financial services sector; whilst in Belgium we will align our proposition to clients' actions towards more sustainable operations, all underpinned by STEM skills.

The benefits from the newly implemented technology platform are gradually materialising in the UK and are expected to bring higher productivity in France and Belgium from FY25 onwards, building enhanced and consistent operational rigour across the region.

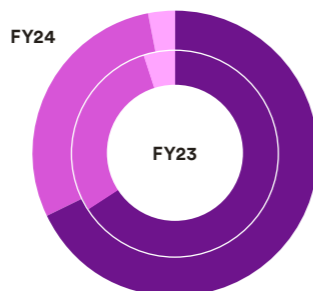
Net fees mix by country

FY24	FY23	
63%	64%	The UK
17%	15%	France
20%	18%	Belgium
-	3%	Other – discounted ops



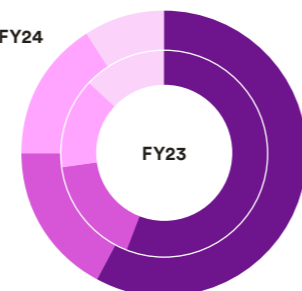
Net fees mix by service

FY24	FY23	
68%	66%	Independent contractors
29%	29%	ECM
3%	5%	Permanent



Net fees mix by skills

FY24	FY23	
58%	56%	Technology
17%	17%	Life Sciences
16%	14%	Engineering
9%	13%	Other ³



FY24 Performance Highlights

	FY24	FY23	Variance	
			Reported	Like-for-like ¹
Revenue (£ million)	353	400	-12%	-11%
Net fees (£ million)	61	71	-13%	-12%
Average total headcount (FTE) ²	441	499	-12%	n/a

1. Variance compares FY24 against FY23 on a constant currency basis, whereby the prior year foreign exchange rates are applied to current and prior financial year results to remove the impact of exchange rate fluctuations.
2. Excludes central headcount located in the UK.
3. Primarily Banking & Finance, Procurement & Supply Chain and Sales & Marketing.

Middle East & Asia



There is healthy pipeline going into 2025 for both Perm and Contract and we have attracted some extremely exciting clients across all industries in different parts of the region.

Hashim Kapadia
Senior Director – MENA

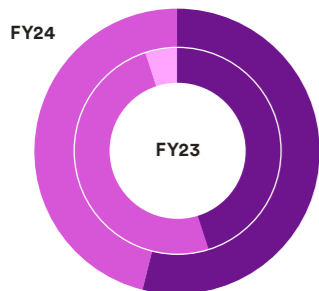


It's been another record year for our Japanese business, up 26% YoY, delivered by hard work, consistency and dedication that our people have shown to our clients and candidates.

Christopher Reilly
Sales Director – Japan

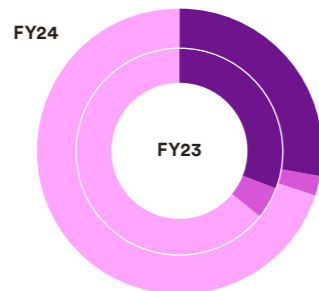
Net fees mix by country

FY24	FY23	
54%	45%	Japan
46%	50%	The UAE
-	5%	Other – discounted ops



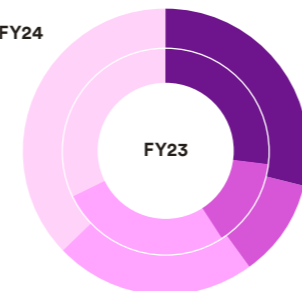
Net fees mix by service

FY24	FY23	
28%	31%	Independent contractors
2%	5%	ECM
70%	64%	Permanent



Net fees mix by skills

FY24	FY23	
29%	27%	Technology
11%	14%	Life Sciences
23%	27%	Engineering
37%	32%	Other ²



Impact of global megatrends

Off the five megatrends, digitalisation has been driving demand for the majority of our business across both Permanent and Contract hiring. In Japan, businesses have been expanding the number of digital transformation projects particularly within retail and healthcare sectors. SThree supports these clients in placing STEM talent in roles within data analysis, data engineering, as well as project management and leadership roles such as CTO/CIO.

In the Middle East, large scale transformation of the Gulf Cooperation Council region is underway as it rapidly positions itself as a global leader in digital innovation. These national and region-wide initiatives have led to a surge in demand for talent with expertise in the area of AI, internet of things (IoT), technology and digital transformation. Significant investments are being made in AI and cloud technologies. Saudi Arabia, to give just one example, recently announced a US\$20 billion investment in AI as part of its Vision 2030 strategy.

FY24 performance highlights

Overall, FY24 was a good year with stable, consistent growth for the region, net fees increased by 4% YoY. On Permanent we saw our net fees grow by 14% YoY. We secured three top-tier clients and continue to maintain the split of our business as 70% retainer focused and 30% contingent focused. On Contract, we won two top-tier accounts whilst growing some of our Top 15 accounts.

Japan, which represents 54% of the region's net fees, delivered an impressive performance up 26% YoY, reflecting growth in both Engineering and Technology, up 68% and 16% respectively. Japan's Contract net fees were up 117% and Permanent up 20%. UAE saw net fees decline 11% YoY driven by Engineering.

Our people

Retaining, training and attracting talent remains our priority and our hybrid work policy continues to motivate our staff and provide them with a healthier work-life balance. We continue to develop our leaders by providing them with global and regional training to enhance their skills.

In the Middle East region, we have won the Great Place to Work award each year for the last three years.

Reasons for confidence

We ended the year in a strong position with multiple big projects in the pipeline for both Permanent and Contract.

In the Middle East region, offering a 40% Permanent and 60% Contract mix means we are able to provide a fully comprehensive service to our customers which is a powerful differentiator as our competitors are either major on Contract or Permanent.

On Permanent, we continue to focus on our Client Development in the markets and industries we know we are great at, following the Group's strategic principle of 'knowing where to play, and playing where we can win'. We have the same approach with Contract, maintaining our industry focus on Energy, Technology and Life Sciences while we continue to further specialise in niches within these. Our client and sales strategy remains clearly defined across our three brands while we continue to refine our service offerings to offer end-to-end Recruitment Process Outsourcing (RPO) and volume staffing solutions.

Our strength is our people. As a result, we have grown the headcount in the Middle East region, to the largest we have ever had, with plans to grow further. An expansion in office space has also been agreed. We continue to equip our staff with regular training and development which enables us to provide our full service solution to our customers, enhancing our value for each client and sustaining our competitive edge.

FY24 Performance Highlights

	FY24	FY23	Variance	
			Reported	Like-for-like ¹
Revenue (£ million)	41	43	-4%	+3%
Net fees (£ million)	20	21	-6%	+4%
Average total headcount (FTE)	202	185	+9%	n/a

1. Variance compares FY24 against FY23 on a constant currency basis, whereby the prior year foreign exchange rates are applied to current and prior financial year results to remove the impact of exchange rate fluctuations.
2. Primarily Banking & Finance, Procurement & Supply Chain and Sales & Marketing.

Group net fees



Stakeholder engagement

Section 172 Statement

In accordance with the requirements of Section 172 of the Companies Act 2006 (the Act), the Directors confirm that during the financial year ended 30 November 2024, they have acted in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its shareholders as a whole, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders as required by the Act.

Supported by a well-established corporate governance framework, the Board's decisions take the long-term interests of the Group's key stakeholders into account, including employees, clients and candidates (which we referred to as customers), shareholders and local communities, along with the impact of our business upon them and the likely consequences of any planned actions required to deliver sustainable growth.

The Board maintains close business relationships and partnerships with these groups, to keep itself informed of the material issues relevant to stakeholders. In addition to the regular feedback that it receives from customers and employees, the Board maintains an open two-way dialogue with investors to effectively engage with and communicate our actions to them. This is integral to the Board's strategic decision-making framework focused on those business priorities which will position SThree to deliver shared and sustainable value for all stakeholders.

For more information in support of this statement, see Our Board, pages 105 to 107, and Employee engagement, page 108.

Our People

Why we engage

Our people's work efforts and commitment to deliver excellent customer experiences are at the heart of SThree's ongoing success.

Engaging with our employees and understanding what is important to them, what challenges and risks they face, are essential to the Board's decision making. It helps to inform Group-wide people strategies, and develop better policy interventions, reward schemes, local training plans and share best practice in finding, developing and retaining talent.

How we engage

Our semi-annual employee surveys and employee focus groups led by Denise Collis, the Senior Independent Non-Executive Director, are the Board's key formal engagement mechanisms with employees.

Beyond that, the Directors undertake site visits, leadership and employee-led forums, regional and global town halls, roadshows, webinars and other ongoing interactions via Group intranet, social media channels and global newsletters.

Additional engagement is via employee resource groups, which influence policy and people experience, and internal community of ambassadors who deliver internal events aimed at aligning our colleagues to SThree's purpose.

Key interests and concerns in FY24 and our response

On average nearly 78%* of our people shared with us clear feedback on how they feel about working in SThree, what we are doing well as their employer and what they would like us to improve. This employee feedback led our management to make the following improvements in FY24:

- Promoted our Speak Up Line and uptrained our people in how to respond with confidence to cases of serious misconduct.
- Promoted and embedded our Group values and purpose into our daily business activities through more frequent leaders' town halls, local events and team briefings.
- Promoted high performance culture through recognition, clear performance objectives and frequent feedback that enables all employees to achieve their full potential.
- Launched an innovative tool to support our internal recruitment processes and delivered innovative career development tools to our core functions. (See illustration of key decisions made by the Board in FY24.)
- Launched the fourth cohort of Identify, our leadership acceleration programme, that develops talented women at SThree and supports their journey towards leadership roles. Alongside, we launched a talent sponsorship programme for alumni of previous Identify cohorts.
- Rolled out senior leadership development programmes in partnership with Deloitte and the St Gallen Business School.

* Based on two NPS surveys conducted in FY24.

Further reading: for more information on actions and initiatives designed to improve employee value proposition, see Employee engagement, pages 108 to 113.

Our clients and candidates

Why we engage

Clients and candidates (referred to as customers) are the focal point of SThree's strategy.

With clear focus on our customers' evolving needs, we adapt our business model and strategy, we invest in the right vertical niches and we improve our service proposition. Ultimately, this helps us foster long-term partnerships that ensure continuity and growth and allow us to remain the STEM talent provider of choice in our markets.

How we engage

Operating through a global house of specialist recruitment brands, our dedicated account managers engage with clients via local visits, digital customer interfaces, videos, webinars and other social media channels.

We partner with customers via thought leadership and #STEMSeries virtual events to help them navigate market uncertainties, adapt to change, seize opportunities and optimise resource allocation.

We use our expert knowledge and innovative recruitment processes to supercharge the careers of highly skilled people by matching them with dynamic game-changing organisations.

Our engagement with candidates is multichannel, through frequent meetings during a hiring process, followed by customer satisfaction surveys, as well as our website, social media and publications.

Key interests and concerns in FY24 and our response

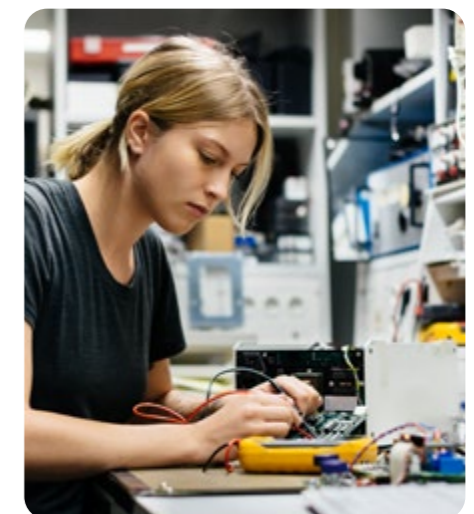
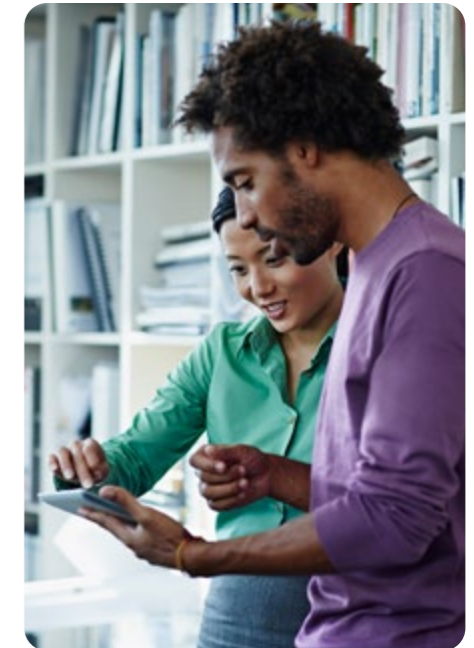
Across all regions we continued to embed and role model our values, placing our customers at the heart of all our activities, and drive sales excellence.

Following a successful launch in the US last year, we rolled out the Group-wide TIP, our foundation for sales excellence, across three of our most complex markets: the UK, Germany and the Netherlands. We applied an agile approach using our people's and customers' feedback we added new or improved functionality to ensure the platform meets customers' evolving needs.

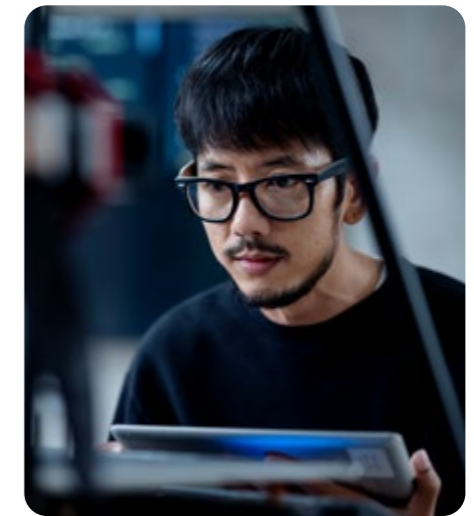
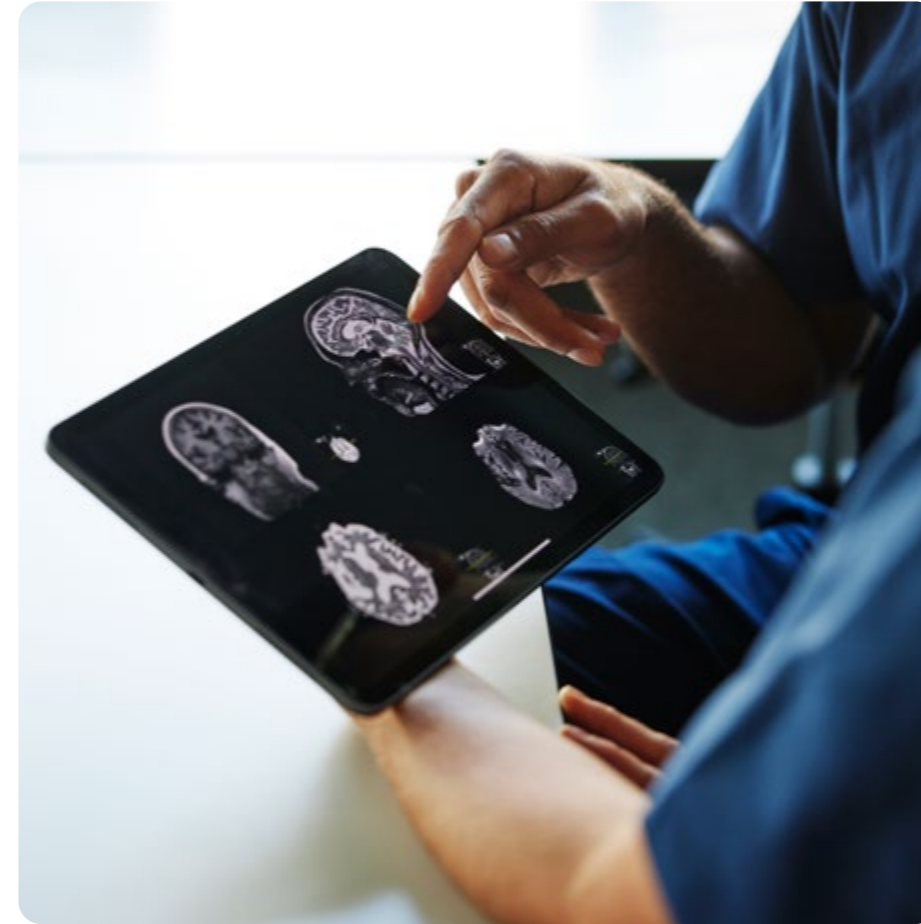
As part of the Global Client Strategy, launched last year, we worked intensively to provide best-in-class tools and data-driven insights, to improve our sales practices (our 'SThree Way' promotes a customer-centric approach). We elevated sales excellence by establishing and following global sales standards, best practices, and promoting consistency in sales performance. Our SThree Way sets the benchmark for how we partner with our customers, and facilitates tailored approaches to meet the unique requirements of our diverse clientele.

We upgraded our external brand websites, enabling our customers to find information they need quickly and efficiently. Our customers can now benefit from the improved website navigation and higher security, all accompanied by the up-to-date information on each brand proposition. This initiative has led to consistent customer experience across our entire House of Brands.

We also shared with our candidates the findings from the survey, *How the STEM World Works*, conducted across 2,500 STEM professionals in our core markets. The insights helped us to gain deep understanding of candidates' attitudes across Life Sciences, Technology and Engineering sectors and align our service proposition to our clients' strategies to attract and retain top talent.



Stakeholder engagement (including section 172 statement) continued



Our shareholders

Why we engage

We aim to instil confidence in our investors and win their long-term support of our business by providing them with complete, accurate and transparent information about our strategy including sustainability commitments and the key drivers behind our operational and financial performance.

How we engage

Our Investor Relations team regularly engages with key shareholders during one-to-one consultations and group meetings with large international institutions, sections of the UK private wealth and retail investor community.

Our senior executives hold key events across the year including: quarterly results presentations and trading statements, our Annual General Meeting, investor briefings and investor conferences.

Shareholder perception studies are received via the Company's stockbrokers and financial advisers.

Key interests and concerns in FY24 and our response

This year our discussions with investors centred on highlighting the Group's performance across business segments and geographies in protracted challenging economic conditions, as well as progress and early evidence of operational efficiencies achieved to date through the transformed digital ways of working. (They were introduced via the sequenced roll-out of the TIP across the Group.)

In FY24, we received a final extension of our main £50 million credit facility from June FY26 to July FY27. This has reinforced the Group's ongoing strong financial position.

The Board recommended a final FY24 dividend of 9.2 pence per share. This final dividend, together with the interim dividend of 5.1 pence per share, amounts to a total dividend for the year of 14.3 pence per share, a decline of 14% on the FY23 total dividend.

In July, our CEO and CFO held the third investor briefing on our Employed Contractor Model (ECM) – a staffing model within our Contract service offering. The investors were given an update on what ECM represents, the structural growth drivers underpinning demand, why it is complex and how its combination with the TIP will unlock the Group's scalability, higher profit margins and value from M&A. Combined with our focus across STEM skills in strategic geographies, it is a key differentiator in the market.

Our local communities and environment

Why we engage

The communities where we operate house the talent essential not only to drive our own business but to deliver the STEM expertise that solves the complex challenges our clients face. Through building strong community partnerships we grow our business whilst providing decent work that results in the economic growth required to empower thriving communities.

How we engage

The STEM expertise we provide solves the world's biggest challenges from medical advances like the Covid-19 vaccine programme to decarbonisation which addresses the climate crisis. The impact of our placements positively impacts the communities where we operate.

We do however see the opportunity to enhance our positive impact through addressing employment inequality whilst bridging the STEM skills gap which impacts our business and that of our clients.

We see an opportunity in providing our clients with access to the best, diverse talent on the market and this is the aim our community outreach work which includes volunteering, skills sharing, fundraising and gifts in kind. A detailed breakdown of how we support local communities can be found below.

Key interests and concerns in FY24 and our response

In FY24, we continued to evolve our community outreach work to deliver positive outcomes for our community and for our business. This included:

- Delivering career support to 1,739 people, supporting diverse and often hard to reach community members with skills and resources to support their career progression.

- Our global community partner, Women Who Code, ceased trading in FY24 which was a disappointing outcome for their community and our colleagues. As a result, we commenced a global community engagement exercise to improve our understanding and support to partners to help organisations sustainability during the uncertain economy.

In FY24, we worked with 85 community organisations. Through interactions on a grassroots level we identified food poverty as a growing concern in the locations surrounding our offices. As a result, we developed a sales incentive that resulted in colleagues donating 22,844 meals to local families across our global business. This action was approved and sponsored by the Group ESG Committee.

Further reading: see Our Local Community Map online for more information on delivered actions and programmes.



Stakeholder engagement (including section 172 statement) continued

Illustration of key decisions made by the Board in FY24

Below we present some of the key decisions of the Board in FY24. The Directors confirm that the deliberations of the Board incorporated appropriate consideration of the matters detailed in Section 172 of the Companies Act 2006.

As stewards of the Company, the Board recognises that having regard to the needs and expectations of stakeholders is crucial as it ensures that SThree is well positioned to deliver long-term sustainable growth for the benefit of all its stakeholders.

Launch of Digital People Transformation

A significant investment in our technology to digitalise our people’s processes, living the values *We’re all in* and *We think big*.

Background and considerations made by the Board in its decision-making

Following the Executive Committee approval of SuccessFactors as the end-to-end solution to manage our people processes, the Digital People Transformation was formally launched in FY24.

The Executives approved this flagship investment in digital technology to help us manage our employees throughout their career with us, wherever they are located globally, encompassing all people processes from recruiting, onboarding to career development and performance reviews. In doing so, it will provide one source of people information that is accessible from anywhere, at any time. The Board recognises that in doing so, we will harness the power of the ongoing digital transformation across the Group, to support our growth ambitions and to drive us towards fulfilling our vision to be game-changers in STEM.

The likely consequences of the decision in the long term and stakeholder groups affected

Every employee and line manager in every region, brand and core function in SThree will have access to SuccessFactors, so that all unnecessary manual processes can be removed to allow us to focus on doing what we do best.

SuccessFactors is expected to add capacity and velocity to our people’s processes, by letting them seamlessly integrate within their teams and adhere to global procedures, methodologies and workflows.

The roll-out of SuccessFactors will be accompanied by the creation of new SharePoint site giving access to many resources and information about SThree’s tools.

This strategic shift in business processes, tools and culture is expected to help SThree benefit from our people’s increased innovation, better engagement with customers, enhanced operational efficiency and our people’s increased job satisfaction.



Sales people transformation

Modernising our sales functions by looking at the full journey of our most junior professionals, living the values *We think big* and *We build partnerships*.

Background and considerations made by the Board in its decision-making

The Board reviewed our current sales talent acquisition processes and performance monitoring standards, and found them to be good but not ideal in light of the high risk of headcount churn and market competition for best talent. To support our strategic growth at both global and regional levels, the Board recognises that we need a strong organisation built by talented, committed sales people, who can be integrated within our organisation more effectively, becoming agile, innovative and faster in responding to market and customers’ evolving demands, thus helping SThree faster unlock its value.

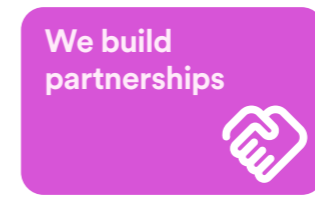
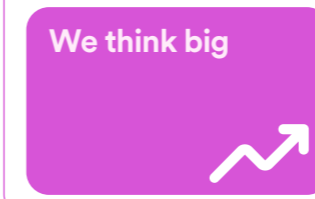
The Board therefore approved the Group-wide salespeople transformation programme, and delegated to the leadership team to design data-driven sales talent acquisition processes, create an onboarding path for new consultants and implement a new performance management framework. This will be further supported by improved incentive schemes, more adequate to a sales function.

The likely consequences of the decision in the long term and stakeholder groups affected

The Board understands that the improved structure of our sales organisation will drive higher productivity and improve retention of our most junior sales consultants – SThree’s main source of its future sales skills.

This programme will comprise well-defined processes, tactics and tools to support the selection and development of our sales professionals. It is expected to provide both our existing sales people and potential new hires with a clear strategic vision for the future, as well as clear career development and training opportunities.

A standardised approach to sales talent acquisition across all regions will unify our salesforce, will facilitate more global cooperation, and will bring alignment in talent management processes. In the long term, it will bring more sales stability which is expected to increase SThree’s credibility, reputation, competitiveness and lead to repeat high-value business from our clients.



Supporting our core model through a considered M&A programme

Pursuing inorganic growth opportunities, living the value *We think big*.

Background and considerations made by the Board in its decision-making

A large part of our strategy is to create shareholder value by driving organic growth through digital transformation, salespeople transformation and sales excellence, while leveraging a programmatic acquisition strategy. The Board recognised that significant profit potential could be unlocked for SThree through a considered mergers and acquisitions (M&A) programme, accompanied by careful brand evolution, tactical partnerships and projects, and refinements to our internal controls.

In FY24, following market research on other staffing companies which had demonstrated accelerated growth via a well thought through acquisition strategy, the Board approved the launch of the M&A programme within SThree with a clear governance framework and supported by the expertise of an external adviser, in order to understand opportunities to further drive shareholder value.

The likely consequences of the decision in the long term and stakeholder groups affected

The initial step of the programme is to explore the market for best partnership opportunities, targeting businesses that most closely match our operational criteria and can maximise value creation. The timing of M&A execution will be aligned to management capabilities and our Group-wide transformation readiness, to ensure manageable integration and value addition.

M&A opportunities are expected to accelerate the impact of our growth agenda. The first successfully completed transaction will serve as a blueprint to develop a well-established acquisition and integration engine within SThree to enable acceleration of shareholder value growth in the long term.



Our commitment to being a responsible business (including TCFD)

Our strategy and business priorities are informed by ESG topics material to our stakeholders, our business model and the wider market where we operate. We have set transparent ESG targets to guide activities that both mitigate risks and maximise opportunities that enhance our business strategy and performance.

ESG targets and progress



In FY20, we undertook analysis to understand the UN Sustainable Development Goals (SDG) that we impact, and aligned our strategy to deliver relevant outcomes to the targets and indicators established within the SDG framework which is reflected in the targets below.

Target	To positively impact 150,000 lives by FY24	Doubling the share of our global renewables business by FY24	Reduce scope 1 & 2 emissions by 77% and absolute scope 3 emissions by 50% by FY30	We aspire to increase representation of women in leadership to 50/50
Progress	163,028 lives positively impacted by SThree since 1 December 2019.	161% growth in our clean energy business net fees since FY19 (baseline year).	32% increase in scope 1 & 2 and 26% reduction in scope 3 in FY24 from 2019 (baseline year).	37% women in leadership positions.
FY24 activities	12,159 accessed decent work through SThree placements. 1,619 accessed our career support programmes. 3,736 existing and aspiring STEM professionals accessed Elevate Careers programme with coaching and mentoring support provided by SThree. 2,891 hours of volunteering supported people in our local community.	5% growth in our clean energy business net fees YoY in FY24.	14% carbon reduction in absolute emissions in FY24 in comparison to FY23. 1% increase in scope 1 & 2 emissions in comparison to FY23. 17% reduction in scope 3 emissions in comparison to FY23.	108 women participated in our leadership talent development programme Identify.
Alignment to strategic pillars	Position People	Places	Platform	People
Sustainable Development Goals				

Our commitment to being a responsible business (including TCFD) continued

Social



Our culture continues to evolve as we invest in actions that empower colleagues to reach their full potential and build a successful career at SThree.

Helen Wallace
Global Director of People Experience

A career with purpose for everyone

We understand and respect the richness of diversity that spans our 11 locations and the uniqueness of the 2,678 colleagues we employ. Our culture continues to evolve as we invest in actions that empower colleagues to reach their full potential and build a successful career at SThree.

Our people are one of our biggest assets and in FY24 we continued to evolve our people strategy with key areas of focus as follows:

	Employee listening	Upskilling for future growth	Evolving our culture	Investing in diversity
Metrics	35 eNPS (FY23: 43). 4 Board level focus groups delivered in FY24.	38,941 hours of training delivered. 23,694 hours of onboarding training. 47% have objectives and 24% have personal development in place. Values and behaviour framework launched.	Values and behaviour framework launched. 94% mandatory training completed. 110 hours of inclusion training completed by Top 100.	37% women in leadership. 17% ethnicity in leadership. 1,117 total attendees for our quarterly Global Connection inclusion events. 39 women on our fourth leadership accelerator cohort.

+ **People is one of our strategic pillars.** Further information can be found on pages 34 to 38.

+ **Further reading:** See our Identify case study on our website.



Upskilling for future growth
Hours of training delivered

38,941



Elevating careers

Sourcing the best STEM talent for clients is the core of our business model. We have identified an opportunity to help address employment inequality whilst also addressing the STEM skills gap our clients face. This resulted in the evolution of our Elevate Careers programme.

In FY24, we delivered career advice, CV reviews and shared our intellectual capital to help 1,739 people at risk of unemployment to access career paths. We have a responsibility to invest in, shape and support the future STEM skills our clients need to grow their business.

+ **Further reading:** See our Elevate Careers case study on our website.



Social impact across our business model

We have an obligation to do the right thing across our value chain and ensure we have mitigated all social risks. In order to minimise risk and ensure our values are upheld we deliver policies, training and continuous education across our stakeholders. In FY24, 94% of colleagues completed training on the following topics: Anti-bribery and Corruption, Human Rights, Modern Slavery and Human Trafficking, Health & Safety, Data Protection, Cyber Security, Supplied Code of Conduct, and Gifts, Hospitality and Charitable Contributions.

+ **Further information can be obtained in the Summary of our policies, implementation and monitoring details which can be viewed on SThree corporate website by scanning the following QR code:**



Investing in our community

Investing in our local communities is part of our cultural DNA and has been since the business was founded. Our community outreach continues to evolve as we identify opportunities to enhance our impact and contribution. Every colleague has 40 hours of paid volunteering leave every year and we have a strong network of 79 ESG Ambassadors who help our colleagues contribute to their community.

In FY24, we delivered 2,891 hours of volunteering of which 191 hours were skills-based volunteering. We provided £116,519 in financial support and donated over 926 items of gifts in kind to charities.

Details of our community outreach can be obtained from the community impact map, available online.

+ **Further reading:** See our Community Impact Map on our website.



Our commitment to being a responsible business (including TCFD) continued

Environment



Our role in decarbonisation goes beyond becoming a net zero business ourselves. We play a critical role in providing the STEM skills that ensure clients have the innovative solutions that will enable industry to decarbonise. Decarbonisation is a megatrend that provides opportunities for business growth across all of our markets.

Andrew Beach
CFO and Executive Sponsor of climate risk



Placements in clean energy in FY24

923

Growth in clean energy business since FY19

161%

Reduction in carbon emissions YoY

14%

STEM skills decarbonising the future

STEM skills will play a critical role in transitioning to a net zero world. Across the business we have seen demand for green engineering skills in the energy sector grow, with our clean energy business growing by 161% since FY19 when we launched a target to double the size of this part of our global business.

Expectations for decarbonisation role growth is high: McKinsey estimates 202 million new jobs are needed to achieve net zero by 2050. We know clean energy roles will continue to grow as tech clients continue to decarbonise whilst introducing high emission AI tools. Life Sciences companies are tackling the challenge of decarbonising a complex supply and distribution chain. Across every sector STEM skills will be critical and we are actively working to ensure that we have the green skills the future needs. In FY24, we delivered 923 placements within clean energy and we continue to evolve our community outreach to raise the profile and desire for green careers to address the growing green skills gap.

Decarbonising our business

For over a decade, SThree has demonstrated a commitment to taking meaningful climate action. We are actively transitioning to be a net zero business before 2050 through setting Science Based Target initiative (SBTi) verified targets. Our progress today is detailed below:

	To reduce scope 1 and 2 emissions by 77% by 2030	To reduce scope 3 emissions by 50% by 2030	To be net zero across scope 1, 2 and 3 emissions by 2050
Progress from FY19 (baseline year).	32% increase in absolute emissions.	26% reduction in absolute emissions.	21% reduction in absolute emissions.

In FY24, we mobilised a cross functional net zero working group who report to our ESG Committee, to build and implement our net zero transition plan. This group will innovate, test and adapt ways of working to ensure our carbon reduction materialises. We continue to evolve our transition plan, taking into account external factors and internal business changes.

Our commitment to being a responsible business (including TCFD) continued
Environment continued


Our transition to net zero

In FY23, we announced our SBTi target to be a Net Zero business by FY50.


This year, our net zero working group has developed a five-year transition roadmap (FY25–FY30) to ensure we remain on track to achieve our near-term targets.

We identified four key areas that have a material impact on our business’s carbon footprint: property, travel, supply chain and car fleet. We analysed each area and set out key actions we must take to see progress against our net zero ambitions. We know the transition to net zero will take time and that we will likely need to adapt our plan to the changing landscape. We are committed to taking action today and this includes putting strong processes in place to implement our transition plan while continuing to offset our scope 1 and 2 carbon emissions in partnership with Earthly.






Further reading: More information on our net zero commitment can be viewed in our Sustainability Policy.



Further reading: More information on Earthly and the projects we fund can be found here:




Net zero roadmap 2025–2030

	Scope 1 & 2	Scope 3			
2030 target	 100% clean energy powered by 2030	 100% clean fuelled by 2030		 50% reduction in travel emissions by 2030	 50% reduction in supply chain emissions by 2030
Achieved this year	Using our green property criteria, we opened two sustainable offices: London and our first net zero office in Glasgow.	Belgium began their transition to electric by 2028, forging the path for our other regions to deliver their transition plans by 2030.	Continued to incentivise green commuting with benefits to travel by public transport, cycle to work schemes.	Within our travel policy, train is the preferred method of travel and must be booked for train-compatible routes under five hours. STthree’s digital transformation provides colleagues with cutting edge remote collaboration tools.	We are awaiting our CDP score for FY24. (B score awarded in FY23). We revised our global sustainability policy to support conversations with suppliers and clients.
2025	All offices will be reviewed utilising our clean energy criteria.	Netherlands to begin implementing their transition plan, to be delivered by 2028.	Conduct a commuter survey to identify changing travel habits post Covid-19. All offices will be reviewed using our property criteria to ensure clean travel facilities and transport connections are available.	Collaborate with budget holders to reduce their travel emission by 5% YoY.	Engage with our Top 20 suppliers on sustainability ensuring 100% have a carbon reduction plan. Improve processes to track supply chain emissions.
2026	Agreements in place with all landlords to procure 100% clean energy and utilise self-generating technologies where possible.	France to conduct a review of their transition plan to ensure they align to the business target. Germany will achieve a 50%–80% EV fleet by 2026. A further transition plan will be created to move to 100% clean fuel by 2030.	Review green commuter benefits to identify new opportunities.	Introduce carbon allowances per employee based on role for travel.	Compile a preferred green supplier list which should be used when selecting suppliers.
2030 vision	All our offices will be powered by clean energy. All new office and lease renewals will use our green property criteria.	All our car fleet will be electric or phased out in favour of a mobility allowance.	Colleagues will commute using sustainable transport where available.	Compile a preferred green supplier list which should be used when selecting suppliers.	All our suppliers will align to our environmental commitments, and we will prioritise choosing sustainable suppliers as standard. Partnered with a reduction in consumption, we will achieve 50% reduction in supply-chain emissions.

Our commitment to being a responsible business (including TCFD) continued

TCFD Report

Task Force on Climate-related Financial Disclosures statement

We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and confirm that we are reporting in line with the FCA Listing Rule UKLR 6.6.6(8), which requires us to report on a ‘comply or explain’ basis against all the TCFD Recommendations and Recommended Disclosures in respect of the financial year ended 30 November 2024. We have also considered the TCFD additional guidance (2021 TCFD Annex), specifically the ‘All Sectors Guidance’ in preparing the disclosures of the TCFD Recommendations and Recommended Disclosures.

We confirm that we are compliant with the requirements of the UK Listing Rule UKLR 6.6.6(8).

We have set out our disclosures against each TCFD pillar (the table below provides cross-references where the disclosures are located in this Annual Report and Accounts). In preparing them we had to make several assumptions and took into account materiality of information in the Recommendations related to strategy-, risks-, metrics and targets pillars. SThree plc’s materiality considered the importance of key climate change-related topics to our internal and external stakeholders.

Through our materiality assessment it is clear that climate change is a critical topic to all of our stakeholders. As a STEM staffing specialist, we are committed to being led by climate science and our net zero targets reflect this. We aim to reduce our carbon emissions in line with a 1.5°C scenario and achieve the net-zero greenhouse gas (GHG) emissions reduction target by FY50. The Science Based Targets initiative (SBTi) validated our targets as science-based scope 1, 2 and 3 net-zero targets.

Recommended disclosure	Where reported	Further information
Governance pillar		
a) Describe the Board’s oversight of climate-related risks and opportunities.	Page 69	Governance Report Our Board, page 105–107
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Page 69	Governance Report Our Board, page 105–107
Risks pillar		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	Page 71	Strategic Report Risk management, page 82–89
b) Describe the organisation’s processes for managing climate-related risks.	Page 71	n/a
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.	Page 71	Strategic Report Risk management, page 82–89
Strategy pillar		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Page 72	Strategic Report Risk management, page 82–89
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning.	Page 72	Strategic Report Market overview, page 16–17
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 78	n/a
Metrics and targets pillar		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 79	Strategic Report Key performance indicators, page 26–29
b) Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions, and the related risks.	Page 81	n/a
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 79	Strategic Report Key performance indicators, page 26–29

We will continue to monitor TCFD guidance as it evolves and will consider opportunities to enhance future disclosures of our governance, strategy, risk management and metrics and targets in relation to SThree action on climate risks and opportunities.

Governance pillar

Board oversight

TCFD recommendation: Describe the Board’s oversight of climate-related risks and opportunities.

While engaging with, and having regard to the interests of, all key Group’s stakeholders, the Board is accountable for ensuring environment, social and governance (ESG)-related matters, including climate-related risks and opportunities, are integrated into the Group’s strategy, minimising risks and maximising opportunities to ensure value creation across our business model.

The Board brings a variety of skills and experience, including expertise in relation to sustainability, climate change risk management strategies and risk-informed financial planning. The Board’s experience, which is further described on pages 96 to 97 of the Governance Report, supports the implementation of the TCFD recommendations across the Group.

The Board utilises the Group’s governance structure to ensure effective oversight and management of climate-related strategy and goals, with the Chief Financial Officer (CFO) acting as senior sponsor for all climate-related matters including risks, metrics and targets. As an active member of the Group ESG Committee, the CFO ensures that the impact of climate risks and opportunities is regularly assessed and considered throughout strategic and financial planning. The CFO reports progress to the Board on a regular basis.

SThree’s climate change governance framework is illustrated in more detail in the table opposite.

During the current financial year, the Board agenda included the following climate-related matters:

- Updates twice a year via risk updates. The Board received a bi-annual report for all principal and emerging risks governed by the Group Risk Committee. This included both an update and thorough conversation on climate risk.
- Net zero agenda item twice yearly. The Board received an update twice a year on the Group’s net zero targets and progress towards these targets. In FY24, this included a discussion on the Group’s car fleet where the speed of transition was challenged.
- Copies of ESG Committee papers and meeting and rolling NED. In FY24, we introduced a Non-Executive Director position on the Group ESG Committee which ensures a Board member, alongside our CFO and CEO, is present at each meeting. The Board receives all Committee papers prior to the meeting and minutes post meeting. This ensures the Board can monitor progress towards targets and is aware of key strategic decisions.

Management oversight

TCFD recommendation: Describe management’s role in assessing and managing climate-related risks and opportunities.

The Board delegates management of climate-related risks and opportunities to the Group CEO, who chairs and leads the Executive Committee in delivering the Group’s strategy and annual plan, including SThree’s response to climate change. Under this delegation, the CEO oversees processes aimed at identifying and managing climate-related risks and monitors the allocation of the Group’s resources required to mitigate these emerging risks and to benefit from any identified climate-related opportunities (this also includes climate-related risks and opportunities associated with SThree’s net zero transition plan).

The Executive Committee monitors the Group’s approach to climate change by ensuring climate risks, opportunities and progress towards net zero targets are reported and reviewed bi-annually. This review takes place within the strategic review of every business region and function, ensuring climate change is integrated into financial and strategic planning. The Executive Committee established and delegated operational management of climate-related matters and wider ESG ambitions to the ESG Committee.

SThree’s ESG Committee has representatives from the Executive Committee, including the Chief Executive Officer, Chief Financial Officer, Chief People Officer and Chief Legal Officer, as well as attendees from key strategic markets and departments. The ESG Committee meets quarterly to direct the Group ESG strategy, policies and implementation of key changes across the business. This includes identifying climate risks and providing oversight of the assessment and mitigation of these risks.

To coordinate actions related to the assessment and management of various climate-related risks and opportunities across the Group, the ESG Committee is supported by the Global Purpose and Inclusion team and Global Strategy Director, with dedicated business expertise focused on matters which may be affected by climate-related risks and opportunities. Global Renewable Energy Network (GREN), which is chaired and led by Group Strategy Director, collaborates on actions and initiatives designed to drive performance of our clean energy (renewables) revenue stream. Strategic alignment between regional heads is fostered through quarterly meetings and ensures the Group maximises climate opportunities which in FY24 included sharing insights on investment pipeline of clients from the renewables sector, job intensity dashboard, as well as the medium-term risks and opportunities associated with the clean energy sector.

Our commitment to being a responsible business (including TCFD) continued

Climate change governance framework

SThree Board*

Oversight of business strategy and performance, including material ESG factors. The Board reviews the Group’s strategy, including response to climate-related risks and opportunities at least twice a year.

Audit & Risk Committee

Oversight of the effectiveness of the Group’s Risk Management systems and processes including emerging risk climate change. Reviews assurance over mitigating controls.

Remuneration Committee

Oversight of the Group’s remuneration policy, employee incentive arrangements and bonus target setting for Board and Executive Committee which includes the carbon emission reduction target.

CEO

Overarching oversight of all ESG matters including climate change as the Chair of the ESG Committee.

Executive Committee

Appointed by the CEO. Includes senior leaders within the business. Conducts regular business reviews related to strategy, risk management (including climate-related risks) and performance, including progress towards ESG targets. Reports to the Board on climate-related matters and recommends risk appetite to the Board. Develops Company strategy in line with Board appetite.

ESG Committee

Includes CFO and other members of the Executive Committee, with Non-Executive Directors attending on a rotation basis. Meets quarterly to discuss and report ESG specific topics. In particular, it identifies, assesses and mitigates climate risks and opportunities, ensuring integration into strategic and financial planning. These topics are then discussed with the Group Risk Committee, Executive Committee, Remuneration Committee and the Board.

Group Risk Committee

Appointed by the Executive Committee to oversee the governance of risk management, including climate-related risks. Reviews and assesses strength of controls related to climate risks and reports on risks to the Executive Committee, Audit & Risk Committee and the Board.

Global Director of Purpose and Inclusion

Implements climate-related scenario analysis, and stakeholder engagement to ensure delivery of action plans. Oversees the development of climate targets and data reporting.

Global Renewable Energy Network

Energy sector leaders who work on actions that grow our clean energy (renewables) business.

TCFD Steering Committee

Provides recommendations to the ESG Committee on the assessment and management of climate risk, informs financial and strategic planning.

Climate Risk Owners

Monitor climate risks, develop and implement mitigating initiatives, and escalate changes within risk environment to the Group Risk Committee.

ESG Ambassadors

100+ ambassadors across the business deliver local climate action, engage colleagues in climate-related issues and provide local insights to the ESG Committee.

* Nomination Committee has no climate change responsibilities.

Risks pillar

Identifying and managing climate-related risks

TCFD recommendation: Describe the organisation’s processes for identifying and assessing climate-related risks.

TCFD recommendation: Describe the organisation’s processes for managing climate-related risks.

Our Group-wide Enterprise Risk Management (ERM) framework is designed to identify, assess, score and monitor all risks. The risk mitigation plans and timelines are determined by the appetite and tolerance for risks as set by the Board and directed by the Executive Committee.

Operational management (identifying, assessing and mitigating) of climate-related risks and opportunities is delegated to the ESG Committee. The Committee’s approach to identifying climate-related risks includes utilising market research data, external partner insights and internal business reviews. The latter comprises an Executive Committee-led strategic review process during which senior leaders from across the business are asked to identify emerging risks within their markets, with key questions around climate-related market changes and policy. These are then discussed at local management meetings and escalated to the ESG Committee, who, in turn, ensures the right mitigation measures and controls are in place.

We utilise climate scenario analysis to assess the potential magnitude and likelihood of specific climate-related risks and opportunities under the following scenarios within the NGFS scenario framework:

- a 1.5°C degree (fossil fuel-led);
- 2°C degree (disruptive); and
- 3°C degree (fossil fuelled).

Once assessed, climate risks are integrated to our climate risk statements and principal risk statements, ensuring risk owners are in place to develop and implement risk mitigation actions, controls and metrics. These plans and progress reports are then shared with the Group Risk Committee and Group ESG Committee on a regular basis. To date, climate-related scenario analysis has demonstrated that there are no immediate risks to SThree and therefore, climate change continues to be an emerging risk to our business as opposed to a standalone Group’s principal risk. However, some of the Group’s principal risks are, to an extent, impacted by climate change, and therefore, where applicable, our principal risks reflect elements of the climate-related risks identified through scenario analysis. These risks are regularly reviewed by the Group Risk Committee and twice a year by the Board. Further details on these risks can be found in our Risk management section on pages 82 to 89 and more details around risk management governance can be found on page 82.

Integration with Group’s risk management framework

TCFD recommendation: Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.

The process for identifying and assessing climate-related risks is the same as for all the Group’s principal risks and emerging risks, and is further described on pages 82 to 84 of this Annual Report and Accounts. It is the Group Risk Committee who holds key responsibility for reviewing and assessing all risks on an ongoing basis, and formally at least twice a year. The Risk Committee also ensures that all risks are integrated into the Group ERM framework. For each principal and emerging risk, the Risk Committee reviews and assesses the strength of controls put in place; this assessment is reported to the Board on a bi-annual basis.

The Group ERM framework details who is responsible for managing each individual risk and the controls mitigating it. Climate change-related risks and associated controls are led by the ESG Committee, and consistent with the Group’s ERM framework, risk management activities take place at all levels in the Group.

Our commitment to being a responsible business (including TCFD) continued



Strategy pillar

The impact of climate change on SThree

TCFD recommendation: Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning.

Through a scenario analysis, we have identified no immediate climate risks which could significantly impact our long-term strategy or business model, performance or liquidity. However, we understand the importance of climate change on our stakeholders and therefore the Group’s exposure to climate-related risks and opportunities is regularly considered in our strategic and financial planning, our capital allocation decisions and in operational management. It was also considered when preparing the Consolidated Financial Statements, in particular as part of assessment of the Group’s long-term viability and its flexibility to adapt operations to climate-related risks and opportunities. For further details see note 1 to the financial statements.

We also understand that climate change and its associated impacts are causing systemic and exponential disruption to wider society. One of the global megatrends is decarbonisation which requires extensive innovation and change. Climate change will have a unique impact on our clients and the STEM skills they require to redesign and innovate business models that align with a net zero future.

Our role in supplying the STEM skills, which are needed to facilitate this change, is a key opportunity identified through scenario analysis which has influenced our strategic priorities. We are well positioned to respond to the growing demand for green skills and can quickly respond to growing demand for highly skilled talent as the global economy reconfigures towards decarbonisation.

In addition, the decarbonisation of our own business plays an important role in ensuring we meet the requirements of our clients and can access new business opportunities. As a result, we have set carbon reduction targets and have been on our journey to net zero since FY18.

Risk and opportunity identification and assessment

TCFD recommendation: Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Guided by our climate-related scenario analysis, and risk management articulated on pages 82 to 84, the climate-related risks and opportunities that could have a potential impact on SThree Group are detailed below, along with mitigating actions.

To assess the materiality of climate-related risks and opportunities, we used the following timeframes:

Timeframe (term):		
Short	Medium	Long
up to five years to 2029	five to 15 years from 2029 to 2039	beyond 15 years from 2039 to 2050

Our likelihood assessment is an estimated probability of potential impacts:

Likelihood:		
Low	Moderate	High
very unlikely to unlikely	likely to occur	likely to very likely to occur

These risks and opportunities are global in nature and there are only modest variations in their relative significance for each of our business segments. Where appropriate, we refer to specific geographies.

Refer to the subsequent section, Metrics & Targets on pages 79 to 81, for further information on measurement indicators, including our performance against them.

Table 1. Our key climate-related risks and opportunities

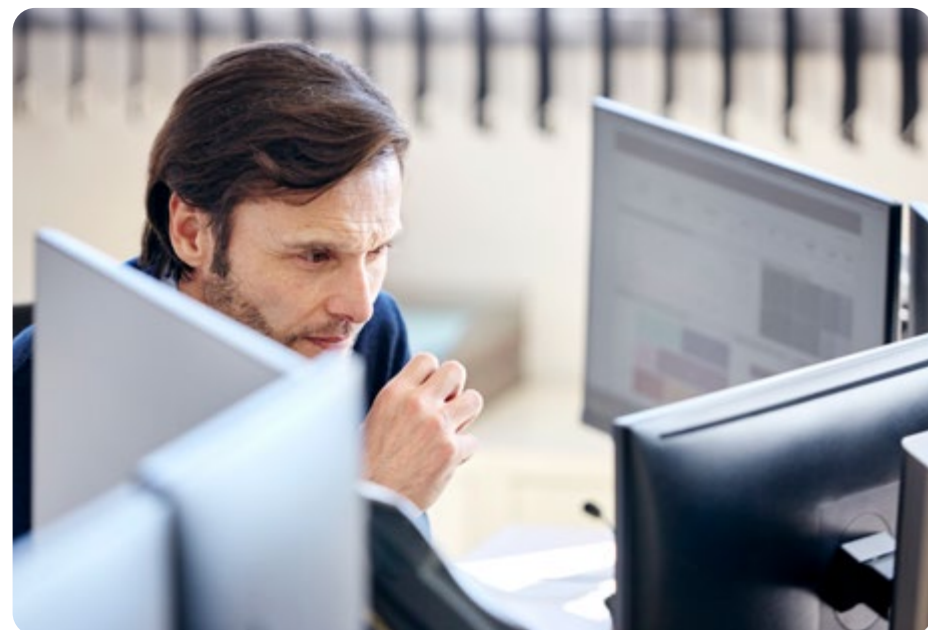
Risk	Measurement indicators	Potential impact and SThree’s response under each assessed scenario						
1. Transition Risk								
<p>Commercial</p> <p>SThree may fail to maximise market opportunities if strategy and decision making across the Group does not adequately consider the impact of climate change within the markets that it operates in and the requirements of clients and candidates. This may result in an inability to meet profitability and market share growth targets and fall behind peers.</p>	<p>Net fees generated through clean energy (renewables) business</p>	<p>Green revolution (1.5°C)</p> <p>In a rapid green transition we may miss opportunities to grow market share if sufficient market intelligence and headcount growth plans are not in place. In response to this risk SThree has mobilised an internal Global Renewable Energy Network and energy sector-specific market intelligence tools to ensure opportunities and best practice are shared across our global business. We are also developing market intelligence and regulatory horizon scanning tools, utilising AI, to efficiently identify market opportunities.</p> <p>In addition, under a low-carbon transition, potential net fees from Oil & Gas clients could be lost due to divestment and decline in client demand. The risk to SThree would be two-fold: a potentially material loss of revenue from Oil & Gas sector, as well as ongoing operating costs incurred to meet limited opportunities available in this area of the market.</p>						
<p>Strategic pillar: Places</p> <p>Business segments potentially affected: Group-wide</p>		<p>Disruptive change (2°C)</p> <p>Some large energy and infrastructure projects are influenced by government. To respond successfully to invitations to tender and win government contracts, SThree requires investment in consultants’ expertise, and, increasingly, obtain additional certifications. Preparation work for large renewables projects is an investment we must make as a potential vendor, however tender outcomes may change or turn unfavourable.</p> <p>Timeline and budgets for these projects are delayed and reduced. This could result in SThree having areas of operational costs which face delayed or reduced revenue opportunities. SThree continues to invest in tools and resources to map client requirements throughout project timelines to effectively manage resources.</p>						
<p>Timeframe (term):</p> <table border="1"> <tr> <td>Short</td> <td>Medium</td> <td>Long</td> </tr> </table> <p>Likelihood:</p> <table border="1"> <tr> <td>Low</td> <td>Moderate</td> <td>High</td> </tr> </table>	Short	Medium	Long	Low	Moderate	High		<p>Fossil fuelled (3°C+)</p> <p>The need for talent is increasing across high-emitting industries which could contribute to higher net fees generated by SThree in these markets. This could then result in abrupt divestment as climate change materialises and markets shift at pace.</p> <p>SThree has committed to SBTi net zero targets, deliver annual reporting on progress and build marketing content to ensure our position as a sustainable brand is clear, transparent and validated.</p>
Short	Medium	Long						
Low	Moderate	High						

Our commitment to being a responsible business (including TCFD) continued

Our key climate-related risks and opportunities continued

Risk	Measurement indicators	Potential impact and SThree's response under each assessed scenario
2. Transition Risk		
Policy and compliance	CDP Score	<p>Green revolution (1.5°C)</p> <p>Under a green revolution scenario, SThree has access to clean technologies from suppliers who are decarbonising at pace. This supports our ability to decarbonise across scope 1, 2 and 3 emissions as part of the Group transition towards net zero.</p> <p>Government policy and compliance requirements are ambitious and introduced at pace, particularly across Europe.</p> <p>We monitor emerging government compliance and on a quarterly basis we report to the ESG Committee on compliance and progress against net zero targets.</p> <p>Disruptive change (2°C)</p> <p>Within this scenario, our ability to decarbonise is limited to scope 1 and 2 emissions. Scope 3 decarbonisation is delayed due to our heavy reliance on third parties, particularly those suppliers who face undermined/reduced progress towards their own decarbonisation targets.</p> <p>We have established a net zero transition plan which includes a supplier engagement plan and shared action we can take to help our suppliers to reach their own decarbonisation targets.</p> <p>Fossil fuelled (3°C+)</p> <p>Within this scenario, we have delayed transition across scope 1 and 2 emissions due to low availability of low-carbon energy required to fuel our property and car fleets. Scope 3 emissions are delayed even further beyond the time horizon used for this assessment.</p> <p>Mitigation action we could undertake include a review of our car fleet and property portfolio to identify areas of opportunity to remove emissions entirely rather than relying on limited low-carbon energy.</p>
<p>Business segments potentially affected: Group-wide</p> <p>Timeframe (term): Short Medium Long</p> <p>Likelihood: Low Moderate High</p>		

Risk	Measurement indicators	Potential impact and SThree's response under each assessed scenario
3. Physical Risk		
Policy and compliance	No. of days of work missed due to severe weather	<p>Green revolution (1.5°C)</p> <p>We would see minimal physical climate risks within this scenario.</p> <p>There are currently six office locations deemed as at risk of flooding and severe weather events based on historic events in those offices and the scenario analysis is highlighting minimal impact. Each office has a business continuity plan in place.</p> <p>Business segments potentially affected: Austin, Houston, Paris, Glasgow, Düsseldorf and Dubai</p> <p>Disruptive change (2°C)</p> <p>Infrastructure investment fails to materialise and although the impact is minimal based on the scenario analysis and location of offices we anticipate that the increased temperature and lack of infrastructure could impact productivity and commuting to offices as well as the outdoor work of contracts. With impact remaining low, the likelihood of impact increases, based on recent temperature records.</p> <p>We would review business continuity plans alongside available infrastructure investment in the locations impacted. Flexible working and working conditions for both employee and contractors would be considered.</p> <p>Business segments potentially affected: Europe, USA and MENA</p> <p>Fossil fuelled (3°C+)</p> <p>Severe weather events and long-term climate change impact our physical working environment which could result in office closures and contractors being unable to access sites due to flooding, freezing, hurricanes and other severe weather conditions. SThree has adopted and successfully implemented working from home business continuity plans which were tested during the pandemic. We have however identified that in some extreme circumstances working from home could be disrupted due to power outages. In this instance, we will utilise our global network of offices to deliver services on behalf of impacted locations. This has been implemented previously during the Texas ice storms in 2021 but the risk has not materialised since then.</p> <p>Business segments potentially affected: Group-wide</p>
<p>Business segments potentially affected: See conclusions under each scenario</p> <p>Timeframe (term): Short Medium Long</p> <p>Likelihood: Low Moderate High</p>		



Our commitment to being a responsible business (including TCFD) continued

Our key climate-related risks and opportunities continued



Opportunity Measurement indicators Potential impact and SThree's response under each assessed scenario

1. Climate Opportunity

Responding to the changing demands of the market

We are dynamic and flexible in our approach and can adapt to new market requirements with agility and pace. Our flexible approach alongside offering full staffing compliance expertise and at times additional 'value-add' offerings such as trucks, IT equipment and adjacencies makes us well placed to meet clients' growing decarbonisation talent needs. The growth of green innovation will create new STEM job opportunities. LinkedIn research highlights growing demand for green skills. In FY24, the UK saw a 46% increase in demand for green skills. Predictions from IRENA and other industry bodies highlight unprecedented growth in green skills in the coming seven years.

Net fees generated through clean energy (renewables) business

Green revolution (1.5°C)

In a rapidly decarbonising world we will see increased investment in green technologies both commercially and at government level. This will generate demand for green skills, predominantly in STEM sectors. The pace of change will exacerbate the green skills/STEM skills gap. As a result, STEM recruitment expertise, such as SThree's, will be in high demand among clients in need of adequate talent.

Areas of anticipated short-, medium- and long-term growth is across wind investment, storage technology, resilient grid technology, with hydrogen investment in Europe growing longer term.

Disruptive change (2°C)

Some large energy and infrastructure projects are influenced by government. To respond successfully to these tenders and win contracts, SThree requires investment in consultants, and sometimes additional certifications. The risk, which is outside of SThree's control, is that the level of preparation work for large renewables projects is an investment we must make as a potential vendor, however tender outcomes may change. Often the timeline and budgets for these projects are delayed and reduced.

Areas of anticipated growth is across wind investment, storage technology, resilient grid technology, hydrogen investment in Europe longer term.

SThree's response could include investment in headcount focused on anticipated growth areas; or regular review of tender requirements to ensure SThree remains competitive in new markets.

Fossil fuelled (3°C+)

Within this scenario investment is significantly delayed. Investment in resilient grid technology continues to be prioritised across Europe but more so in the USA market. Investment in storage technology in Europe is also an area of growth medium to long term.

Within this scenario investment in projects continues to be inconsistent with changing agendas influenced by government policy and elections.

SThree's response could include regular reviews of investment trends and impact assessment of new government policy and elections on STEM job opportunities in the markets we serve.

Business segments potentially affected:

Group-wide

Timeframe (term):

Short Medium Long

Likelihood:

Low Moderate High

Opportunity Measurement indicators Potential impact and SThree's response under each assessed scenario

2. Climate Opportunity

Alignment to low-carbon clients

As the market moves towards a low-carbon future, companies are reviewing their own transition plans. Increasingly they are questioning the environmental impact of all suppliers. SThree has been working on carbon footprint management and carbon offsetting for over a decade. Our long-term environmental strategy, targets and transparent reporting provides a competitive advantage.

In European markets there is an emergence of small, sustainable recruitment agencies who solely work with low-carbon clients. SThree has the potential to also compete in this niche market and obtain competitive advantage given the climate leadership position, experience and compliance benefits already in place.

Business segments potentially affected:

See conclusions under each scenario

Timeframe (term):

Short Medium Long

Likelihood:

Low Moderate High

Measurement indicators

CDP score % reduction in carbon emissions

Potential impact and SThree's response under each assessed scenario

Green revolution (1.5°C)

In a green revolution scenario client demands for sustainable recruitment suppliers who mirror their commitment and support the realisation of their net zero target emerges at pace. We see the adoption of sustainable supply-chain management platforms, sustainability within contracts, metrics and monitoring being introduced at speed.

Given minimal differential economic incentives, candidates often choose to work for a more socially conscious company – this could extend to SThree itself as a recruiter who aligns themselves to a low-carbon solution, providing opportunities to grow net fees.

This scenario is materialising in Europe at present.

Business segments potentially affected:

Europe

Disruptive change (2°C)

The speed of client demand for sustainable suppliers is delayed with the pace for sustainable reporting and net zero transition progress not being realised until 2035.

In response, SThree would adapt to changes by building its recruitment specialism to meet clients' new needs. We would continue to deliver strong sustainable reporting and support clients to meet their decarbonisation targets.

Business segments potentially affected:

Europe and USA

Fossil fuelled (3°C+)

Client requirements for sustainable suppliers is not realised in the timeframe assessed.

In response, SThree would adapt to changes by building its recruitment specialism to meet clients' growing needs. We would continue to deliver strong sustainable reporting and support clients to meet their decarbonisation targets.

Business segments potentially affected:

Group-wide

Our commitment to being a responsible business (including TCFD) continued

Climate-related scenario analysis

TCFD recommendation: Describe the potential impact of different scenarios, including a 2°C scenario, on the organisation’s businesses, strategy and financial planning.

SThree assesses the financial implications of climate-related risks and opportunities under three scenarios aligned with the NGFS climate scenario framework. The first scenario 1.5°C maximum increase in global temperatures (‘Green revolution’). The second scenario 2°C increase in global temperatures (‘Disruptive change’) and the third a 3°C + increase (‘Fossil fuelled’).

We utilise these three scenarios to ensure all potential risks and opportunities are identified, and that we are testing our resilience under each scenario as political landscapes shift and the likelihood of each scenario materialising shifts. Our net zero commitment is aligned to the Paris Agreement which is facilitating a renewables-led scenario (global warming limited to 1.5°C) which reinforces our commitment to doing the right thing and also to maximise the opportunities we have identified within this scenario. Each risk and opportunity is analysed based on an estimated impact on net fees, aligned to our risk management framework.

Further reading: For more details on applied assumptions, please see Table 2 below.

Table 2. Climate-related scenarios

SThree uses the NGFS climate scenario framework to stress test key climate-related risks and opportunities. The key outcomes from the climate-related scenario analysis inform SThree’s targets and growth opportunities, and wider business strategy, e.g. how we grow our value proposition as a green recruitment partner to mitigate reputational risk and realise opportunities with both clients and candidates as outlined above.

Green revolution (orderly 1.5°C)



This orderly scenario assumes that climate policies are immediately implemented, with an increasing carbon price levelled that ensures the world does not exceed 1.5°C warming.

The economy is strong, driven by new industries providing green solutions and technologies such as AI, robotics and battery technology. The development of circular economy business models disrupts legacy industries, removing incumbents. Global opportunities expand in all markets as consumer technologies are democratised.

Under this scenario, the energy sector mix shifts rapidly, as the world transitions away from fossil fuels and towards low-carbon power, heat and mobility solutions. Consumer concern over the environmental sustainability of products and services is high, and candidates actively disassociate with companies not following the renewable revolution.

Disruptive change (disorderly 2°C)



This disorderly scenario assumes that significant climate policy is not implemented until 2030. In order to reach the 2°C mitigation goal, the transition from this point happens at a far quicker pace than in the orderly transition.

Engineering and finance sectors benefit from the rapid development of a carbon dioxide removal industry – funding for which comes in the form of increased energy prices for businesses and consumers.

Under this scenario, the energy sector mix does not change noticeably until after 2030, at which point actions taken are relatively late and limited by available technologies, to enable a sharp reduction in emissions. The pace of change claims many victims within high-carbon industries who are left with significant levels of stranded assets.

Fossil fuelled (hot house 3°C+)



This scenario incorporates the policies and measures that governments around the world have already put in place and assumes that no further policy action will be taken. The scenario assumes only cautious implementation of current commitments and plans. Emissions grow until 2080 leading to 3°C+ of global warming and increased physical risks.

New technology solutions are not developed quickly or cost-effectively enough to disrupt legacy industries. Energy prices are kept suppressed by the lack of any meaningful carbon price and the lack of progress in carbon removal technologies.

Significant disruption on sectors with offices, manufacturing sites located in regions and areas of high physical risk.

The financial impact assessments for the above presented scenarios are based on the same method of calculations as those used for principal risks evaluated under the SThree Group-wide risk framework.

Within all three scenarios we identified no climate change-related risks that would have a material impact on SThree, our performance and strategy. This is consistent with the assertion that risks associated with climate change are not expected to have a material impact on the longer-term viability of the Group.

However, some growth opportunities may arise from the role STEM skills play in decarbonisation (see details on this megatrend on page 17) and our proposition as a green supplier (see further details on pages 24 to 25 related to our strategic pillars).

It has resulted in SThree setting a target and strategy to maximise this side of our business. In addition, the scenario analysis continues to be considered in wider business strategy, e.g. how we grow our value proposition as a green recruitment partner to mitigate reputational risk and realise opportunities with both clients and candidates as outlined above.

Metrics & Targets pillar

Metrics

TCFD recommendation: Disclose the metrics and targets used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

The Group has set both near-term and long-term GHG emissions reduction targets which were validated by SBTi and are consistent with a reduction required to keep global warming to 1.5°C by FY50. Our overall climate commitment to be net zero across GHG absolute emissions from SThree’s operations and its supply chain by FY50 (scope 1, 2 and 3 carbon emission reduction) is broken down into medium-term milestones:

- reduce absolute scope 1 and 2 GHG emissions by 77% by FY30 from a FY19 base year;
- reduce absolute scope 3 GHG emissions by 50% by FY30 from a FY19 base year;

- reduce absolute scope 1, 2, and 3 GHG emissions by 90% by FY50 from a FY19 base year; and
- increase annual sourcing of electricity from renewables, from 28% in FY19 to 100% by FY30.

In addition to carbon reduction targets, in FY19 the Group set a target to double the size of its clean energy business by FY24 in response to the opportunities identified through climate-related scenario analysis. SThree achieved this target already in FY23. Nevertheless, the Group continued this momentum with further investments and initiatives undertaken across markets, to promote and grow this important part of our business; in FY24 our clean energy (renewables) business grew by 5% YoY.

The table below describes climate-related metrics in more detail.

Table 3. SThree’s climate-related metrics and associated targets

Metric	Key initiatives and progress in FY24	Target
Climate-related risks (Transition risks)		
% reduction in scope 1 and scope 2 carbon emissions	Our direct GHG emissions are from leased transport, purchased electricity and refrigerant required for our offices (scope 1 and 2). In FY24, our scope 1 and 2 emissions increased by 1% YoY, and 32% since our baseline year. While we have seen a 10% decrease in our leased transport emissions YoY, this is offset by an increase in actual premises data and other fuels from new growth in EV car fleet, opening sustainable office locations and an increase in actual premises data. For quantitative details please see Streamline energy and carbon reporting (SECR) information.	Reduce absolute scope 1 and scope 2 GHG emissions by 77% by FY30 from a FY19 base year.
% reduction in scope 3 carbon emissions	Our indirect GHG emissions throughout the value chain mainly result from our purchase of goods and services, business travel and employee commute/transportation, which together make up more than 70% of our total scope 3 emissions. In FY24, we continued to work closely with our partners to reduce GHG emissions for our business and our value chain. Scope 3 emissions decreased by 17% YoY and decreased by 26% since our baseline year. We have remained committed to reducing emissions from our supply chain which equates to 46% of our carbon emissions. Our supply chain emissions have decreased by 46% since FY19. For quantitative details and further explanation, please see Streamline energy and carbon reporting (SECR) information.	Reduce absolute scope 3 GHG emissions by 50% by FY30 from a FY19 base year.
% energy procured from clean energy sources	Due to new business owners of this target, we are not able to report against progress in FY24. We are committed to transparent reporting and our focus for H1 FY25 is to review the methodology around this target; producing an action plan to collect the data and report on progress. In FY24, (i) We introduced new Regional Facilities Managers roles within the property team. These roles are key in gathering the data and evidence required to show progress against this target. (ii) We delivered our net zero transition plan which includes an action plan for Property, and our clean energy target, as a priority for FY25. (iii) We built strong relationships with landlords, particularly within our new office locations, that set out expectations regarding carbon reporting.	Increase annual sourcing of electricity from renewables from 28% in FY19 to 100% by FY30.

Our commitment to being a responsible business (including TCFD) continued

Metrics & Targets pillar continued

Metric	Key initiatives and progress in FY24	Target
Climate-related opportunities		
Net fees generated through clean energy (renewables) business	5% (FY23: 28%) YoY growth. 161% (FY23: 142%) growth from FY19 baseline. For more information see Key performance indicators on page 26.	Double the size of our clean energy business by FY24 (from FY19 baseline). For more information see Strategy overview, on page 24.
Remuneration		
Given the strategic importance of sustainability to SThree, 10% of Executive Directors' share awards (LTIP) are linked to their contribution towards carbon emission reduction targets	In FY24, we made progress towards our scope 3 target and understand more focus is required to achieve our scope 1 and 2 near-term target. For more information see Remuneration at a glance on page 130.	Variety of ESG targets, including GHG reduction targets, as outlined in the Key performance indicators of this Annual Report and Accounts.

Streamline energy and carbon reporting (SECR) information

SThree is committed to providing transparent carbon reporting to our stakeholders. Our carbon data management platform helps us to provide strong oversight and the ability to report more widely across scope 1, 2 and 3 emissions.

In FY24, our scope 1 and 2 emissions equated to 3,088 tCO₂e (market based) and scope 3 equated to 17,237 tCO₂e, an average impact of 7.15 tCO₂e per FTE. This represents a YoY decrease in carbon emissions of 14% and a 21% decrease since FY19 baseline. The increase in scope 1 and 2 emissions is due to growth in internal car fleet as we transition to EV. Due to new car fleet providers, we have the availability of more precise reporting, which has provided a clearer emissions profile. The decrease in scope 3 emissions is attributed to our efforts in FY24 to collaborate with our supply chain to improve data, therefore reducing our emissions from Purchased Goods and Services. We also shifted to using occupancy data for water, waste, paper and commuting, resulting in more accurate data as compared to using FTE estimations in previous years. Our continued efforts to improve our reporting provides us with a clear foundation on which to deliver our net zero transition plan to 2030 and beyond.

Energy efficiency initiatives

While we have seen an increase in absolute scope 1 and 2 emissions YoY, the reduction in scope 3 emissions and total emissions YoY is positive and shows we are making progress towards our targets. The energy efficiency initiatives which have taken place in FY24 include:

- Our carbon emissions from premises (natural gas, purchased electricity, waste and water) reduced by 58% since FY19 (baseline year). Sustainable offices were opened in Glasgow and London, using our sustainable property criteria.
- Business travel has decreased YoY by 8% which is the result of our sustainable travel policy.
- While we have seen an increase in emissions relating to 'other fuels' this shows the positive impact of our continued transition to an EV car fleet.

Table 4. GHG emissions (tCO₂e) and associated energy consumption (kWh) for FY24
(Energy and carbon disclosures for financial year, 1 December 2023–30 November 2024)

Emissions source (tCO ₂ e)	FY19 (baseline year)		FY23		FY24		% change in total emissions (FY24 vs FY23)	% change in total emissions (FY24 vs FY19)
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)		
Scope 1								
Natural gas	346	2	22	86	9	58	-39%	-81%
Leased transport	42	990	–	2,455	–	2,218	-10%	115%
Refrigerant	–	–	–	–	79	–	93%	–
Scope 2								
Purchased electricity (market/location based)	157	802	94/53	320/215	132/79	400/300	24%	-45%
Other fuels (heat and steam, EV)	–	9	–	54	7	185	253%	2030%
Scope 3								
Purchased goods and services	–	17,339	704	15,746	87	9,201	-44%	-46%
Capital goods	–	213	3	183	1,230	112	621%	530%
T&D and WTT (fuel and energy-related activities)	14	–	7	273	29	741	186%	5,400%
Upstream transportation and distribution	56	89	10	163	3	26	-83%	-80%
Water (purchased goods and services)	13	98	1	2	–	6	187%	-95%
Paper (purchased goods and services)	–	4	4	4	4	2	-19%	64%
Waste generated in operations	15	33	1	3	5	13	399%	-63%
Business travel	261	1,223	398	940	331	897	-8%	-17%
Employee commuting incl. working from home	0	3,637	382	1,166	314	1,293	4%	-56%
Upstream leased assets	2	188	–	661	–	71	-89%	-63%
Downstream leased assets	–	184	–	11	–	2,871	25,266%	1,461%
Total tonnes of CO₂e (market based)	906	24,811	1,666	22,068	2,231	18,094	-14%	-21%
Total tonnes of CO₂e (location based)	906	24,811	1,626	21,963	2,178	17,994	-14%	-22%
Number of employees	860	2,504	655	1,998	700	2,139	7%	-16%
Tonnes of CO₂e per employee	1.05	9.91	2.54	11.05	3.19	8.46	-20%	-6%
Total energy consumption used to calculate emissions (kWh)	2,983,847	5,927,067	532,853	11,356,473	581,730	12,777,245	13%	50%

Methodology

The method used to calculate GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with the latest emission factors from recognised public sources including, but not limited to, BEIS, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental panel on Climate Change.

We focused FY24 on consolidating our carbon data management platform which was launched in FY23. This included new account managers, introduction of a quarterly quality assurance service on our carbon data and a full review of our data quality and methodology. The decrease in emissions in FY24, particularly evident in Purchased Goods and Services is due to this data quality review. We made the decision to adjust methodology used for estimation as follows which can account for some variances:

- We used occupancy of the offices.
- We used 366 days for the estimation as FY24 was a leap year.
- We used floor area for district heating, electricity, and natural gas while recycled waste, water supply/treatment, paper and landfilled waste used occupancy numbers.

Prior to calculating scope 3 emissions, a materiality assessment was conducted to assess relevance using the GHG protocol. As a result, categories 9–12 and 14–15 were considered to have no contribution to the businesses' scope 3 emissions and have therefore been omitted from the SECR table published above.

Following an operational control approach to defining our organisational boundary, our calculated GHG emissions from business activities fall into the reporting period of 1 December 2023 to 30 November 2024, and using the reporting period 1 December 2022 to 30 November 2023 for comparison.

Risk and Compliance Statements

Risk management

Risk management is a key part of our business, values and culture. Effective risk management enables us as a business to protect value and proactively manage threats to the delivery of strategic and operational objectives, while enhancing the realisation of opportunities.

Our principal risks

- 1 Macro-economic environment/cyclicality
- 2 Industry innovation
- 3 Client strategy
- 4 Commercial relationships and customer risk
- 5 Contractual liability
- 6 People, talent acquisition and retention
- 7 Cyber security
- 8 Data privacy
- 9 Regulatory compliance
- 10 Strategic change management
- 11 Health and safety

Connecting risk, opportunity and strategy

Risk mitigation helps SThree manage specific areas of the business. However, when brought into our day-to-day activities, successful risk management helps us to maximise our competitive advantage and successfully deliver on our strategy. Whilst the ultimate responsibility for risk management rests with the Board, the effective day-to-day management of risk is delegated to our leaders across the business, seeking at all times to maintain a prudent balance between mitigating risks and taking advantage of opportunities.

Risk management approach

Our Enterprise Risk Management (ERM) framework and processes help us to describe, analyse, report and monitor risks and controls at all levels in the Group. We believe that the effective management of risk is based on a 'top-down' and 'bottom-up' approach, which includes:

- Our strategy setting process;
- The quality of our people and culture;
- Established internal controls with assurance via self-verification on the strength of controls;
- Processes for reviewing, escalating and controlling risks;
- Independent assurance by internal audit and external audit;
- Regular oversight by the relevant Committees; and
- Reacting quickly to market conditions and the cycle.

Principal and key operational risks are considered and discussed as part of the strategic planning process. Our principal risk statements include key risk indicators and risk tolerance measures, as well as assessments of key controls and risk appetite.

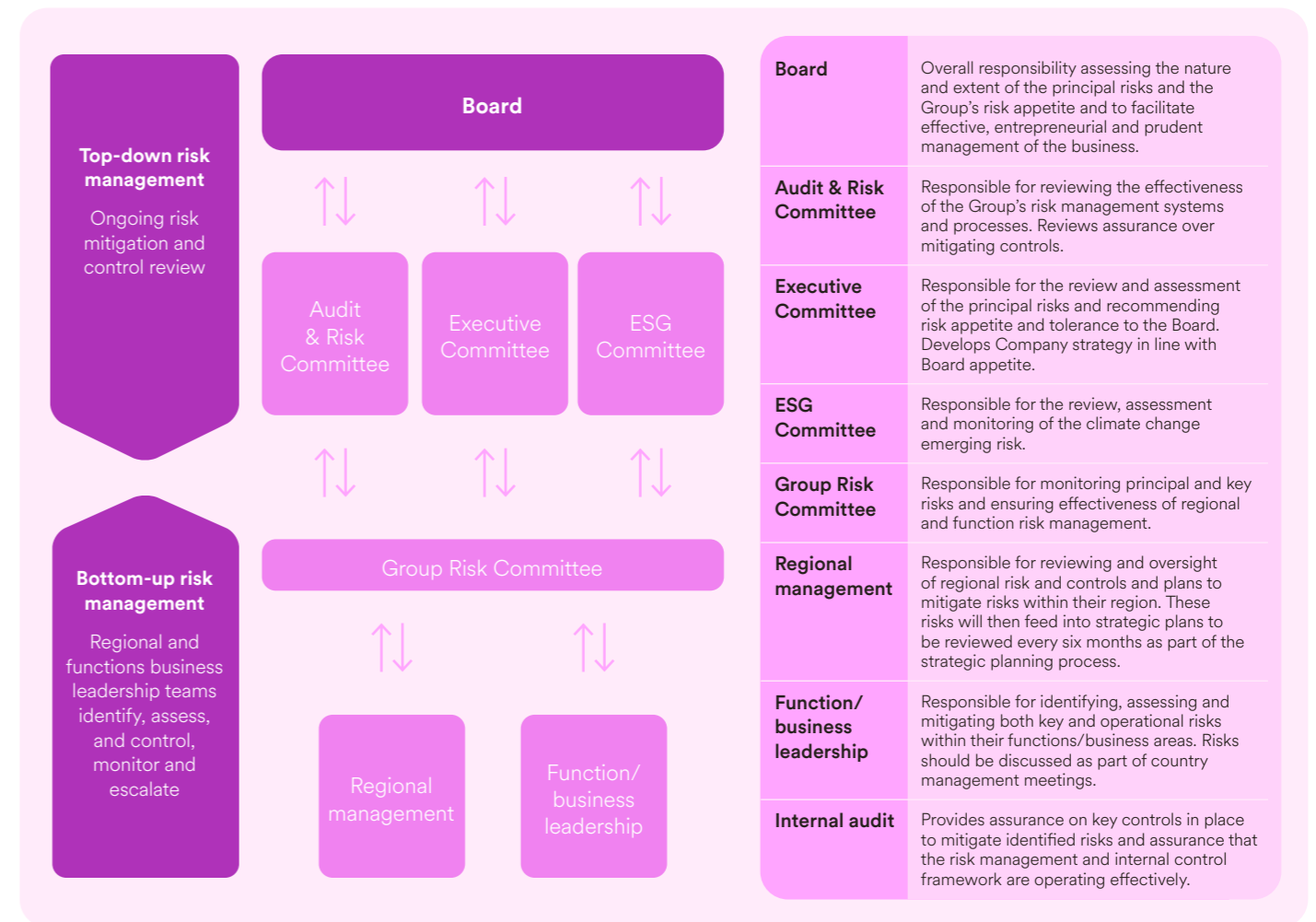
What we review when assessing our principal and key risks:

- Risk ownership: each risk has a named owner. In addition, each principal risk is sponsored by a member of the ExCo, who drives progress.
- Likelihood and impact: globally applied five-by-five scoring matrix.
- Gross risk: before mitigating controls.
- Net risk: after mitigating controls are applied.
- Risk appetite: defined at principal risk level and categorised into five levels.
- Risk tolerance: in data format, showing the amount of deviation from the risk appetite.
- Key risk indicators: quantitative measures that provide early signals of a change in the risk.
- Actions: key controls in place and activities required for further mitigation if required.
- Impact on the Group's strategic pillars and interdependencies between principal risks.
- Any relevant emerging risks where the principal risk is impacted by or could impact the emerging risk.

All principal risks are detailed in a standardised statement. This ensures effective review, understanding and monitoring throughout the Group, together with consistency, both in terminology and the underlying assessment itself. As part of the top-down process, an updated assessment was completed for each principal risk by the relevant risk owner, working with the Executive Committee (ExCo) risk sponsor and the risk function.

The statements are challenged and reviewed in detail by the Group Risk Committee, ExCo and by the Board twice a year. In addition, deep dive reviews are conducted by the Group Risk Committee throughout the year, the output of which is reviewed by the Board.

Following the 2024 update to the Corporate Governance Code by the Financial Reporting Council, a workstream with key stakeholders has commenced to review the existing internal controls framework and definition of material controls.



Emerging risks

As part of our ongoing risk management process, emerging risks are reviewed by the Board twice a year. An emerging risk is defined as a risk that materialises over a period of time, rather than at once, meaning the likely impact of the risk is difficult to evaluate at the time of assessment of the risk.

Emerging risks are identified during:

- Twice yearly Board principal risk reviews;
- The strategic review process with each region and function;
- Periodic assessment by the Group Risk Committee;
- Horizon scanning undertaken by the Group Legal Function; and
- Bi-monthly financial reviews of country performance and macro-economic trends.

The Group tracked two new potential risks during the year:

- Regulatory risk: EU platform directive; and
- Client expectations.

However as part of the full year review of the principal risks, the Board decided that the emerging EU Platform Directive risk should be rolled into the current Regulatory principal risk and Client Expectation could be considered part of Client Strategy principal risk. In addition, the existing emerging risk for AI has now been subsumed into the new Industry Innovation principal risk, given the development of AI and its industry application during the year.

Climate change risk continues to be an emerging risk for the Group. Further assessment on the emerging risk is shown on page 72 as part of the TCFD Report. Where an emerging risk may impact or be impacted by a principal risk, this is detailed within the principal risk description.

Risk and Compliance Statements continued

Risk management continued

Principal risks

Risks can develop and evolve over time and their potential impact or likelihood may vary in response to changes in internal and external circumstances. Risks and mitigation activities that are outlined below, whilst not exhaustive nor in any order of priority, are those which could have a material adverse effect on the implementation of our strategic priorities, our business, financial performance, cash flows, liquidity, shareholder value or reputation, or could affect other key stakeholders, including employees, clients and candidates.

Changes during FY24

Following review by the Board, the Board believes that the risks presented are the correct assessment and the right principal risks for the Group. As a result of the review, the 11 principal risks below include two new risks and nine previously disclosed risks, with one risk removed.

During the full year assessment of the principal risks, a deep dive was undertaken on the Future Growth principal risk to assess whether the risk accurately reflected the current risk to the business. Following detailed review and discussion at the Board it was agreed that the Future Growth risk would be removed as a stand-alone risk, on the basis that limited future growth is an outcome of other principal risks materialising. Two new principal risks were identified that reflect the Company’s strategic focus:

- Industry Innovation; and
- Client strategy.

Given the challenging external environment and significant internal change programme being undertaken by the Company, a net increase was seen in two principal risks; macro-economic and commercial relationship. However, overall, the risks continue to move in a positive direction.

Strategic pillars

- Places** To be a leader in markets we choose to serve.
- Platform** Create a world-class operational platform through data, technology and infrastructure.
- People** Attract, develop and retain great people.
- Position** Leverage our position at the centre of STEM to deliver sustainable value to our candidates and clients.

1. Macro-economic environment/cyclicality risk

Risk description

Rapid changes in the macro-economic environment could result in SThree suffering financial exposure and/or loss. SThree operates in a sector that is highly cyclical and sensitive to the economy and business sentiment. Mixed economic signals can delay identification of changes in market conditions and business decisions to respond, both on the upside and downside. The growth in the ECM models globally and fixed central support costs impact on the flexible cost base so may exacerbate any time lag between financial performance impact and ability to cut costs and therefore impacts the ability to scale when economy recovers quicker than anticipated.

Link to climate change and sustainability: SThree may be affected, primarily through its work with the Energy sector, to changes in Government policy related to climate change, including in the renewable energy space, which may present positive business opportunities for the Company and fluctuations in the oil price. Geopolitical events, including energy price shocks and other energy security risks can have an impact on economies, and in turn SThree markets and profits.

Mitigations

- The annual strategic planning and budgeting process incorporate reviews of the broader market conditions along with monthly business performance monitoring and twice-yearly reviews as part of the strategy cycle to help inform any changes that are required to react to changes in the economy.
- The Group is a strategically diversified business, geographically, by sector and by product, with a focus on STEM markets which are less sensitive to economic cycles.
- Strategic focus on Contract market which is more resilient in less certain economic conditions than Permanent and provides a counter cyclical cash hedge working capital release with each contract finisher.
- The Group has a flexible cost base that enables the business to quickly cut costs to react swiftly to changes in market activity.
- The Group has a strong balance sheet with low levels of net debt through the year and committed debt facilities to support the business.

Change from FY23

Net risk has increased due to the prolonged challenging macro-economic environment, however the Group’s well diversified business and ability to respond quickly to changes in the market conditions remain an effective mitigator.

Executive Committee sponsor:

Andrew Beach – Chief Financial Officer

Link to Strategic Pillar:

Places, Position

Principal risk interdependency:

- 3 4 6 10

2. Industry innovation risk

Risk description

In circumstances where the Company fails to keep pace with technology innovation and/or the emergence of disruptive business models, this could adversely impact financial performance, competitive advantage and future growth. The Group recognises the need to proactively plan and react to rapidly changing markets and technologies, with the right strategy to adapt to client needs, grow market share and remain competitive.

Mitigations

- Clear strategy, with regular planning and review meetings as part of strategy setting cycle.
- Oversight of strategic workstreams and technology investments through the project governance and ExCo.
- Market intelligence reporting on industry developments.
- Regular review of business models with feedback loop to review market demands.

Change from FY23

New risk.

Executive Committee sponsor:

Scott McKenzie – Global Strategy Director

Link to Strategic Pillar:

Places, Platform, People, Position

Principal risk interdependency:

- 1 5 7 9 10

3. Client strategy

Risk description

Failure to effectively design and execute our client strategy could limit acquisition, retention and growth of clients, thereby adversely impacting the future growth of the Group. The Company recognises that it is vital that our clients’ needs and expectations are met with the right strategy, through consistent global processes and practices, to enable us to become a key partner in their business.

Link to climate change and sustainability: Our clients expect us to have a robust climate change strategy to meet their procurement requirements and therefore we require robust policies and procedures to ensure we meet these expectation to continue to offer services to our clients.

Mitigations

- Targeted client approach, informed by client categorisation and standardised segmentation.
- Data-driven client and performance dashboards.
- Sales-excellence team to drive and embed standards.
- Oversight of client strategy through customer steering group.
- Monthly regional meetings to discuss client strategy.

Change from FY23

New risk.

Executive Committee sponsor:

Jelte Hacquebord – Chief Commercial Officer

Link to Strategic Pillar:

Places, Platform, People, Position

Principal risk interdependency:

- 1 2 4 5 6 7 8 9 10 11

Risk and Compliance Statements continued

Risk management continued

4. Commercial relationships and customer risk

Risk description

In circumstances where working capital impairment or bad debt write-off occur, SThree may suffer financial loss, due to customers or intermediaries being unable to fulfil their contractual payment obligations. The Group's growing ECM business has increased the need for sufficient working capital to ensure payments are made to candidates whilst waiting for clients to settle invoices. Bad debt can impact future cash flow for operations when uncollectable debt is written off.

Link to climate change and sustainability: SThree works with a number of clients who are helping to solve the most significant challenges of our time for both the environment and society.

Link to artificial intelligence: Technology advances have the potential to provide quicker trend and payment behaviour analysis, leading to earlier debt collection and thereby reducing uncollectable debt.

Mitigations

- Overall credit risk profile client base of the Company is a low.
- Regular reviews and credit risk scoring model for higher-risk clients managed by credit risk analysts.
- Regional oversight of debt through credit risk dashboard and monthly key performance indicator reviews.
- Effective end-to-end process for review of payment terms out of policy with Chief Financial Officer approval required.
- Continued focus on aged debt.

Change from FY23

Net risk has increased as a result of increased debt profile. This can be attributed to a combination of the challenging macro-economic environment and delayed receipt of certain client payments as a result of the transition to new systems as part of the TIP.

Executive Committee sponsor:

Andrew Beach – Chief Financial Officer

Link to Strategic Pillar:

Places, Platform

Principal risk interdependency:

- 1 3 5

5. Contractual liability risk

Risk description

If SThree enters into unfavourable contractual terms with customers, it risks suffering significant financial loss. SThree operates in a highly competitive environment in which clients sometimes seek to assign significant contractual responsibilities and high financial liabilities to SThree. Where SThree acts as the employer of record (as with its ECM model), this expectation is generally heightened.

Link to artificial intelligence: Opportunity for advanced technology to improve efficiency of the contract review process.

Mitigations

- SThree seeks to ensure that its contractual exposure to claims is effectively controlled through its contracts.
- Contract approval processes are in place with defined escalation procedures for the proposal of contractual terms that do not align with standard negotiation parameters.
- Well established in-house legal team, aligned to, and working closely with, the regional businesses, ensures a close understanding of business risks and associated contractual requirements.
- Risk Committee oversight of any changes in the external environment that should be incorporated into approach to contracting.
- The Company seeks to place the responsibility for supervision and control of contractors directly with the client, including the acceptance of liability for any acts, defaults or omissions.
- Global insurance.

Change from FY23

No change to net risk, due to controls remaining effective with greater understanding of acceptable contractual liability for the business models in operation.

Executive Committee sponsor:

Kate Danson – Chief Legal Officer

Link to Strategic Pillar:

Places, Platform, People

Principal risk interdependency:

- 2 3 8 9 11

6. People, talent acquisition and retention

Risk description

SThree's profitability, long-term enterprise value and ultimately our ability to deliver our strategy will be detrimentally impacted if we cannot attract and retain the right talent and drive the right levels of productivity to deliver against our growth ambitions.

The Group is reliant on attracting and retaining people that can deliver against its growth strategy. Sales consultants take time to reach their productivity peak, and this therefore needs to be taken into account when considering timelines. It is vital that SThree attracts and retains an engaged, productive, diverse workforce to ensure the future success of the Company.

Link to artificial intelligence: If left unaddressed, a concern amongst the employee population that artificial intelligence (AI) could replace certain roles could cause issues with engagement and retention. Conversely, inadequate adoption of AI could mean a missed opportunity to use the technology in a way which encourages and enables people to achieve their potential.

Mitigations

- Improved employee engagement through survey platform.
- Flexible hybrid working policy offered to all employees.
- Award winning training platform to strengthen development of consultants throughout their career.
- Continuation of strengthening our wider focus on diversity and inclusion across gender, nationality, age and race.
- Continued focus on mental health and wellbeing.

Change from FY23

Net risk remains unchanged following reassessment of risk position in FY23. Whilst considerable progress has been made on different programmes such as performance management, onboarding and reward, it is too early for the impact to be seen. It is anticipated that the net risk position will reduce during the second half of FY25 as the programme of work is embedded into the organisation.

Executive Committee sponsor:

Sarah Mason – Chief People Officer

Link to Strategic Pillar:

Places, People

Principal risk interdependency:

- 2 3 10 11

7. Cyber security

Risk description

If SThree suffers a serious system or third-party disruption, this could cause loss of data or security breach that disrupts business-critical activities and its ability to meet its contractual and regulatory obligations.

The threat landscape continues to evolve, heightened by world events, with an increase in cybercrime and the evolution of ransomware attacks. Secure data is at the heart of creating a strong culture and trusted brand for our candidates and clients; failing to protect our data and manage security across our services will directly impact our reputation and our ability to sustain and grow our business.

Link to climate change and sustainability: expansion of services provided under the ECM business model could potentially increase carbon emissions and therefore requires investment into greener solutions to ensure both SThree and our clients make a positive impact.

Link to artificial intelligence: being utilised to develop and evolve threats and attack methods to circumvent security controls, or human responses. However, AI can also be used, in its various forms, to support security, through machine learning and other techniques to help identify malicious activities and respond to active threats.

Mitigations

- Global information security framework, designed to ensure that SThree identifies and meets requirements relating to cyber security.
- Vulnerability scanning to early identify weaknesses across the estate alongside information security team actively monitoring for security incidents and remediating where necessary.
- Mandatory cyber security training including phishing simulation exercises for all employees to build awareness and understanding of how individuals can help to protect the Company.
- Incident management plan with clear escalation in the event of a serious incident and linked to outsourced security event monitoring to assist.
- Ongoing improvements to authentication requirements.
- Insurance cover in place that provides access to expert helpline in the event of an incident.

Change from FY23

Overall net risk position has not materially changed, aside from a small reduction in likelihood rating. The risk has not reduced further due to evolving threat landscape. However, improvements in controls and key activities including continued education in areas such as phishing attacks are contributing to a direction of travel that lowers the likelihood of our cyber risk materialising.

Executive Committee sponsor:

Nicholas Folkes – Chief Operating Officer

Link to Strategic Pillar:

Places, Platform, People

Principal risk interdependency:

- 2 3 5 8 10

Risk and Compliance Statements continued

Risk management continued

8. Data privacy

Risk description

Non-compliance with international data protection regulations and/or contractual obligations in relation to data protection could expose SThree to loss of revenue, reputational damage and regulatory sanctions. Having solid data foundations is required for SThree to fulfil our business strategy. Great customer experience starts with accurate, complete and timely data, and secure data is at the heart of creating a strong culture and trusted brand for our candidates and clients.

Link to artificial intelligence: use of AI technology by sales consultants could result in personal data being added into an uncontrolled environment and shared with third parties without clear and embedded policy and procedures on AI use within the Group.

Mitigations

- Data privacy landscape continues to be monitored by our cross-functional privacy team and international Data Protection Champion network to ensure compliance with GDPR and applicable data privacy legislation.
- A global data protection framework is in place to ensure that the Group can identify and meet regulatory requirements relating to data protection within each jurisdiction.
- Embedded processes to manage and respond to Data Subject Rights requests, such as Right to be Forgotten.
- Mandatory yearly data privacy training for all current employees and all new employees as part of the induction process.
- Continued investment in our IT systems and technology controls.

Change from FY23

No change. Data protection framework with robust policies and procedures through process improvements, training and awareness.

Executive Committee sponsor:

Kate Danson – Chief Legal Officer

Link to Strategic Pillar:

Places, Platform, Position

Principal risk interdependency:

2 3 5 7 9

9. Regulatory compliance

Risk description

A failure by the organisation to meet its regulatory obligations in respect of its business models could undermine our reputation, might result in legal exposure and regulatory sanctions and could negatively impact our ability to operate. The staffing and recruitment industry sits against the backdrop of an increasingly stringent and complex regulatory environment. These regulatory changes bring commercial opportunities for SThree, as companies seek staffing models which remove both the burden of administration and the risk of regulatory non-compliance through engaging with companies such as SThree. However, they also present risk to SThree in circumstances where we fail to manage those opportunities appropriately. Failure to comply leaves SThree open to a range of risks, including fines, penalties, litigation, personal Director liability and loss of licence to operate. Additionally, the reputational impact and loss of stakeholder confidence could undermine SThree's business in its entirety.

Link to artificial intelligence: AI could improve identifying and tracking compliance processes in the system and highlight patterns of behaviour where controls may not be effective or escalate a point of non-compliance quicker than manual process to ensure prompt action. Potential to provide greater flexibility in adapting to changing regulatory compliance requirements. AI-powered tools can potentially be trained quickly on new regulations and then quickly incorporate updates and changes as they occur.

Mitigations

- Regular horizon scanning by Legal function with reporting to regional management boards, Group Risk Committee and Executive Committee.
- Regional Legal team involvement in the establishment of new products/services and entering new jurisdictions to ensure there is full understanding of regulatory compliance required and the processes to support the compliance.
- Local internal processes designed to ensure regulatory compliance for each placement.
- Oversight of regulatory compliance risks and controls at Group Risk Committee.
- Regional regulatory compliance training rolled out by the legal department.
- Detailed regulatory risk assessments regularly reviewed for all business models in each country the Company has an entity incorporated within, to ensure full understanding and relevant appropriate controls are in place.

Change from FY23

Decreased. Likelihood of risk materialising has reduced as a result of continuing education on business models and requirements. Horizon scanning remains a key control in ensuring the business can respond in sufficient time to increasing number of new regulations.

Executive Committee sponsor:

Kate Danson – Chief Legal Officer

Link to Strategic Pillar:

Places, Platform

Principal risk interdependency:

2 3 5 8 11

10. Strategic change management

Risk description

If the Company does not effectively manage and implement strategic change, this could result in poorly implemented projects, wasted resource and/or adverse financial impact and ability to execute strategy impacting future growth of the Group. Effective strategic change management is inherently tied into the achievement of our strategy; change management is required for the effective implementation of parts of the strategy that require us to operate differently. Attempting too many projects, incorrectly mobilising projects, lack of oversight causing the rejection by staff of change, would prevent SThree moving to the next level of revenue growth and profitability.

Mitigations

- Prioritisation of investment decisions, approval of business cases and oversight of the investment portfolio, with strong linkage into the annual budget cycle.
- Formal governance structure in place for strategic projects, including independent assurance for key technology-related programmes.
- Full Board visibility of the portfolio status, including timelines, project spend and issues escalation.
- A formal digital demand process to coordinate requests that place demands on our technology change resources. The forum ensures correct resource allocation against the Company priorities.
- Monthly programme steering committees review programme status, risks and document decisions.
- Recruitment and secondment of skilled expertise to business transformation programme.

Change from FY23

The net risk has not changed, however, improvements to change processes, methodology and project reviews continue to strengthen the net risk at a time of significant change in the business.

Executive Committee sponsor:

Nicholas Folkes – Chief Operating Officer

Link to Strategic Pillar:

Places, Platform, People, Position

Principal risk interdependency:

2 3 6 7

11. Health and safety

Risk description

If an employee suffers injury where SThree has failed to meet its regulatory obligations or duty of care, this could lead to an undermining of trust by our employees, candidates and clients, as well as reputational damage and financial loss. Health and safety (H&S) management regulations contain a general requirement for organisations to monitor and review preventive and protective measures to protect the health, safety and wellbeing of our employees. As a responsible employer we strive to ensure all our people are safe in their working environment. Our increasing volume and proportion of business in ECM means we have heightened regulatory obligations towards our candidates, many of whom operate in higher risk environments than our internal workforce.

Link to climate risk and sustainability: Employees are potentially at risk of exposure to increased climatic natural disasters and to extremes of temperature, where working outdoors, making working conditions higher risk.

Link to artificial intelligence: AI could improve the ability to identify trends across accident and incident reporting globally, ensuring quicker responses and reducing the likelihood of reoccurrence.

Mitigations

- Monthly H&S administration and communication meetings to discuss risks and any change in processes.
- Annual review and roll out of global H&S policy.
- Processes and reporting in place for any accidents or incidents involving internal employees and ECM candidates.
- Regular horizon scanning of H&S regulations by both Group Legal and H&S Manager to ensure policies and processes are updated accordingly.
- Communication with clients to ensure safety of a candidate on a client site and obligations are understood by both the client and candidate towards H&S.
- The review of H&S obligations are a key part of the contract review process, to ensure any required processes are followed and are proportionate to the product being offered to the client.
- Dashboard to capture leading and lagging indicators to highlight any incident risks and introduce continual improvement processes.
- Group-wide mandatory H&S training.
- Insurance policies where required covering the Company and ECM contractors in the event of an accident.

Change from FY23

Slight decrease in net risk due to ongoing continuous improvement activities for both internal employees health and that of our ECM contractors.

Executive Committee sponsor:

Kate Danson – Chief Legal Officer

Link to Strategic Pillar:

Platform, People, Position

Principal risk interdependency:

2 3 5 6 9

Risk and Compliance Statements continued

Compliance information

Going concern statement

The Directors have reviewed the Group's cash flow forecasts, including the assumptions contained in the budget, and considered associated principal risks which may impact the Group's performance for the period to 31 January 2026.

The Group's overall financial position is strong. Credit facilities relevant to the review period comprise a committed £50.0 million RCF (with the expiry date of July 2027) and an uncommitted £30.0 million accordion facility, both jointly provided by HSBC and Citibank. These facilities remained undrawn on 30 November 2024. A further uncommitted £5.0 million bank overdraft facility is also held with HSBC. In addition, the Group has £69.7 million of net cash and cash equivalents available to fund its short-term needs, as well as a substantial working capital position, reflecting net cash due to SThree for placements already undertaken. At 30 November 2024, the Group debt comprised primarily IFRS 16 lease liabilities of £39.8 million.

The RCF is subject to covenants that are measured biannually in May and November, on a trailing 12-month basis, being (i) net debt to EBITDA of a maximum of 3.0x and (ii) interest cover of a minimum of 4.0x. The ratio of net debt to EBITDA at 30 November 2024 was nil, as no debt, other than lease liabilities and small overdraft, was drawn at the year end.

In FY24, the Group's trading performance declined against the record prior year, driven by persisting challenging market conditions, which have extended beyond the industry's expectations. The total Group net fees declined by 9% YoY on a like-for-like basis, reflecting protracted soft new placement activity across Permanent and Contract, partially offset by ongoing strong Contract extensions. Despite market uncertainties, the Group's long-term prospects and competitive positioning remain strong, underpinned by its strategic focus on STEM and Contract, supported by a robust financial position and significant operational enhancements gradually materialising via our Technology Improvement Programme (TIP).

In this going concern assessment, the Directors tested the Group's forecast liquidity under a base case and two downside scenarios considering the potential impact of three principal risks: Macro-economic environment/cyclicality risk; Strategic change management risk; and Commercial relationships and customer risk. The Directors considered primarily the robustness of the Group in the face of a prolonged macro-economic downturn with limited net fee income benefit from the TIP. The Directors also assessed the impact of continuing working capital challenges as a result of the transition to new systems. For each scenario, the forecast liquidity was positive and compliant with the Group's RCF covenants.

The base case forecast for the Group, being that arising over the going concern assessment period to 31 January 2026. The key assumption was an 11% decline in net fees in FY25 in comparison to FY24, driven by reduced new placement activity and a 2% net fee growth in FY26 based on Q4 FY25 placement average. This was sensitised to reflect a plausible downside scenario and a severe but plausible downside scenario on Group performance. In the plausible downside scenario, the key assumption was a 14% decline in net fees in FY25, and a flat net fee growth in FY26 with no investment in sales headcount and cost base flexed only for variable costs, such as commissions and bonuses, overall resulting in reduced margins and operating profit.

In the severe but plausible downside scenario, the Group is expected to have sufficient liquidity headroom through the whole period covered despite the assumed 16% decline in net fees in FY25 which is driven by 17% reduction in new Contract placements and 12% reduction in Permanent placements. A further 6% decline in net fees was forecast for FY26 with no investment in sales headcount. This stress test did not incorporate potential mitigating actions at the Board's disposal to improve the position identified by the analysis, such as deferrals of capital expenditure, suspension of dividend payments and/or share buyback programme, cash preservation initiatives, and a number of further reductions in operating expenditure across the Group primarily related to workforce cost reductions.

Following this assessment, the Directors have formed a judgement, at the time of approving the SThree Group Annual Report and Accounts 2024, that there are no material uncertainties that cast doubt on the Group's going concern status and that it is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of this Annual Report and Accounts. For this reason, the Group continues to adopt the going concern basis in preparing the Annual Report and Accounts and Consolidated Financial Statements for the year ended 30 November 2024.

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code 2018 (the Code), the Directors have assessed the prospects of the Group over the five-year period, based on management's reasonable expectations of the financial position and performance of the Group over this period, internal budgets, medium-term targets and the potential impact of the principal risks as documented on pages 84 to 89 of the Annual Report and Accounts.

Assessment of prospects

The Group's strategy is to deliver a sustainable and profitable growth by focusing on four strategic pillars and building on the favourable megatrends that influence all markets and sectors we operate in. The Group has a clear framework for investments in selective strategic initiatives and operational decisions made to continue strengthening the Group's market position into the future. Our performance against our strategic objectives is discussed in more detail on pages 26 to 29.

The review period covers five years from FY25 to FY29, which comprise the next financial year plan used in the going concern assessment and projections for the subsequent four financial years. The Directors believe that the five years to November FY29 is an appropriate period over which a reasonable evaluation of the potential impact of future risk events on the Group can be made. The viability period also aligns to:

- The impairment review process, where investments in subsidiaries are tested based on five-year forecasts.
- The period over which the capital investment decisions are appraised.
- The period over which the Group's major strategic priorities and plans have historically been considered (in line with the long-term ambitions announced at the Capital Markets Day in FY19).

Given our principal risks, the Directors believe that the ability to assess the Group's longer-term viability beyond this period becomes increasingly reduced.

In this assessment, the Directors have reviewed the Group's current financial position, progress against the Group's strategic targets, resilience of the Group's business model over the long term (including the strategic focus on STEM), alongside an evaluation of favourable market trends in areas such as digitalisation and climate change and the long-term opportunities they bring to us. The financial projections were based on the following key assumptions:

- Key macro-economic data that could impact recruitment activity and demand for our services and consequently our revenues and net fees.
- Expected headcount retention rates and our ability to dynamically change hiring decisions and other operational spend in the light of trading conditions.
- Expected increase in productivity of sales teams (placements per consultant) following a full roll-out of outputs delivered under the Technology Improvement Programme.
- Changes in the Group's working capital levels.
- Movements in foreign currency rates, tax rates and interest rates.
- Impact of climate change risk and opportunities.
- Dividend per share.

The viability assessment focused mainly on the expected future solvency of the Group in the event of three severe but plausible scenarios that could threaten the viability of the Group. The key assumptions in the Group's five-year FY25–FY29 plan were stress-tested to evaluate the potential impact on the Group's viability of certain principal risks, including the macro-economic environment cyclicality, customer risk and strategic change management, and an emerging risk of climate change. These assumptions are summarised in the table on the next page.

Risk and Compliance Statements continued

Modelled assumptions	Link to risks
<p>Base case scenario</p> <p>Decline in new placement activity in short term, followed by return to growth in FY26 Reduction in demand impacting both Contract and Permanent businesses, with cost base flexed only for variable costs, such as commissions and bonuses, with no other cost mitigating actions assumed.</p> <ul style="list-style-type: none"> – 11% net fees decline in FY25 driven by reduced new placement activity based on FY24 average, with the expected recovery of working capital of circa £25 million. – 2% net fees increase in FY26 based on the Q4 FY25 new placement activity average, with sales headcount growth of 2.5%. – 5% net fees increase from FY27 and sales headcount growth of 2.5%. 	<p>Macro-economic environment/cyclical risk</p> <p>Strategic change management</p> <p>Commercial relationships and customer risk</p>
<p>Plausible downside scenario</p> <p>Protracted challenging macro-economic conditions in FY25 and some positive outlook expected towards the end of FY26 Negative impact on the Group's sales volume resulting in reduced net fees and profits. Flat headcount and higher labour costs, reducing operating profit conversion ratio. No mitigating levers activated, except for variable staff costs.</p> <ul style="list-style-type: none"> – 14% net fees decline in FY25 driven by reduced new placement activity based on Q4 FY24 average, with the expected recovery of working capital of circa £15 million. – Flat net fees in FY26 based on the Q4 FY25 new placement activity average, with stable sales headcount YoY. – 3% net fees increase from FY27 and sales headcount growth of 1.0%. 	<p>Macro-economic environment/cyclical risk</p> <p>Strategic change management</p> <p>Commercial relationships and customer risk</p>
<p>Severe but plausible scenario</p> <p>Prolonged severe macro-economic conditions in FY25 and FY26, followed by return to growth in subsequent years Reduction in contractor order book compounded by the lower volume of Permanent opportunities. Significant negative impact on the Group's sales volume resulting in reduced net fees and profits. With flat headcount for two years in a row, inflating labour costs and reducing operating profit conversion ratio. No mitigating levers activated, except for variable staff costs.</p> <ul style="list-style-type: none"> – 16% net fees decline in FY25 driven by reduced Contract placement activity of 17% and reduced Permanent placement activity of 12%. Based on equivalent downwards movements experienced in FY20 vs FY19 when the global pandemic struck. No recovery of working capital is assumed in FY25. – 6% net fees decline in FY26 based on Q4 FY25 new placement average, with stable sales headcount YoY. – 3% net fees increase from FY27 and sales headcount growth of 1.0%. 	<p>Macro-economic environment/cyclical risk</p> <p>Strategic change management</p> <p>Commercial relationships and customer risk</p>

Based on the results of these scenarios individually and as a cluster of events for Scenarios 1 and 2, the Directors are satisfied that the Group would be able to respond to such circumstances through various means which could include a reduction and deferral of capital expenditure and further rationalisation and/or restructuring of operations, to ensure that the Group continues to meet its ongoing obligations. In addition, the Directors have considered the fact that the Group operates in stable markets and has the robust financial position of the Group, including the ability to sell assets, raise capital and suspend or reduce the payment of dividends.

Viability statement

Following this assessment, the Board can confirm that it has a reasonable expectation that the Group will continue in operation and meet its liabilities, as they fall due, over a viability horizon of five years for the period ending 30 November 2029. In making this statement, it is recognised that not all future events or conditions can be predicted, and future assessments are subject to a level of uncertainty that increases with time.

SThree non-financial and sustainability information statement

The Group has complied with the requirements of Sections 414CA and 414CB of the Companies Act 2006 by integrating the required non-financial and sustainability information disclosures throughout the Strategic and Governance Reports. The table opposite is intended to provide our stakeholders with references where the key content on our development, performance, position and the impact of our activities with regards to specified non-financial matters can be found.

Non-financial matter	Relevant policies, standards and section of the Annual Report ¹	Annual Report page reference
A. Environmental matters	<ul style="list-style-type: none"> – TCFD (governance and risk management) – Our road to net zero carbon emissions – Sustainability policies 	<ul style="list-style-type: none"> – Climate-related financial disclosures, pages 68–81 – Emerging risks – climate change, page 71 and 83 – The role of the Board and its key decisions, pages 104–107
B. Employees	<ul style="list-style-type: none"> – Our operating principles – Global DE&I policy – Health and safety policy – Whistleblowing policy – Data protection policy – Bullying and sexual harassment policy 	<ul style="list-style-type: none"> – Governance targets, see Summary of notices and policies available online – Strategic overview, People pillar, pages 34–38 – Employee engagement (how the Board engaged with SThree employees), pages 108–113 – Gender Pay Gap Report 2023–2024 (online)
C. Social matters	<ul style="list-style-type: none"> – Our community programmes aimed at building and educating future generations of diverse STEM talent – Volunteering guidelines – Corporate giving and fundraising policy – Tax strategy for FY24 (online) 	<ul style="list-style-type: none"> – Social targets, pages 62–63 – Governance targets, see Summary of notices and policies available online
D. Respect for human rights	<ul style="list-style-type: none"> – Our Code of Conduct – Procurement process – The Company's Modern Slavery and Human Trafficking Statement (online) 	<ul style="list-style-type: none"> – Governance targets, see Summary of notices and policies available online
E. Anti-corruption and anti-bribery matters	<ul style="list-style-type: none"> – Anti-bribery and corruption policy – Gifts, hospitality and charitable contributions policy 	<ul style="list-style-type: none"> – Governance targets, see Summary of notices and policies available online
Description of principal risks relating to matters A–E above	<ul style="list-style-type: none"> – Risk management approach, pages 82–84 – Emerging risks – climate change, page 83 – TCFD Report, climate-related risks and opportunities, pages 68–81 	
Relevant information		
Business model description	<ul style="list-style-type: none"> – Our business model, pages 18–21 	
Description of non-financial KPIs	<ul style="list-style-type: none"> – Key performance indicators, pages 26–29 – Our non-financial KPIs include: <ul style="list-style-type: none"> – Under Platform strategic pillar: Carbon reduction – Under People strategic pillar: Representation of women in leadership roles, Employee net promoter score (eNPS) – Under Position strategic pillar: Number of lives positively impacted 	

1. Please note some of the policies are available on request from the Company Secretary.

Climate-related financial disclosures

In accordance with Sections 414CB of the UK Companies Act 2006, the required climate-related financial information disclosures can be found integrated throughout the Strategic Report, primarily in the TCFD Report on pages 68 to 81.

A summary of key areas of disclosure is set out below:

Reporting requirement	Further information
(a) Group's governance for assessing and managing climate-related risks and opportunities	Pages 69–70
(b) How climate-related risks and opportunities are identified, assessed and managed	Pages 71, 83
(c) How processes for identifying, assessing, and managing climate-related risks are integrated into the overall Group risk management framework	Pages 71
(d) Description of climate-related risks and opportunities, and time periods over which they are assessed	Pages 72–77
(e) Impact of the climate-related risks and opportunities on the Group's business model and strategy	Pages 72, 83
(f) Analysis of the resilience of the Group's business model and strategy (climate-related scenarios)	Pages 78
(g) Targets used by the Group to manage climate-related risks and to realise climate-related opportunities	Pages 66–67, 79–80
(h) Key performance indicators (including basis of calculating) used to assess progress against targets identified under (g)	Pages 79–80