



Laser-focused
on delivery

20
24

Annual Report
and Accounts

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SThree is the global STEM-specialist talent partner

We connect dynamic organisations with global communities of sought-after specialists in science, technology, engineering and mathematics (STEM).

By understanding the needs of the best STEM professionals and matching them with the organisations that need them, in both contract and permanent roles, we help build a sustainable future for everyone.

More information

Supplementary information and disclosures about SThree’s business are provided in the following documents and referenced in this report.

Climate Change Report
[sthree-plc-cdp-2024.pdf](#)

Summary of notices and policies
[sthree-ar24-notices-and-policies.pdf](#)

Online quick read

A concise summary of the SThree Annual Report and Accounts, highlighting strategy, performance, sustainability information as well as examples of how we have engaged with our stakeholders can be found at:
[sthree.com/annual-report-2024](#)

Online investor centre

All SThree corporate reports, including investor briefings, trading updates, share price information and analyst coverage can be found at:
[sthree.com/investor-centre](#)

The Strategic Report from page 2 to 93 was approved by the Board on 27 January 2025 and is signed on its behalf by:

Timo Lehne
Chief Executive Officer

Andrew Beach
Chief Financial Officer



Laser-focused on delivering our customer- centric approach

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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

Net fees
FY23: £419 million

£369m

Contractor order book
FY23: £184 million

£161m

Operating profit
FY23: £76 million

£66m

Net cash
FY23: £83 million

£70m

Basic earnings per share
FY23: 42.4p

37.4p

Total dividend per share
FY23: 16.6p

14.3p

Progress on our FY24 ambitions

eNPS
FY23: 43

35

Carbon reduction since 2019
FY23: 8%

21%

Lives positively impacted
FY23: 25,725

48,585

Conversion ratio
FY23: 18.2%

17.9%

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

Our purpose

We bring skilled people together to build the future

By investing in our market knowledge and global network operations, we plan to deliver on our purpose as an innovative, more focused and higher value company.

Our vision

Game-changers in STEM

We aim to showcase how innovative solutions in recruitment can reshape the role of recruiters and foster a new standard of client collaboration, all while enhancing the candidate experience.

Our strategy

Focused on key game-changing activities

We empower our people, by blending strategically enhanced SThree's operations with the sector- and market-specific knowledge, to nurture the environment in which we accelerate careers, enrich lives, and enable people to make a difference to the world around them.

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

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

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

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

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

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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.

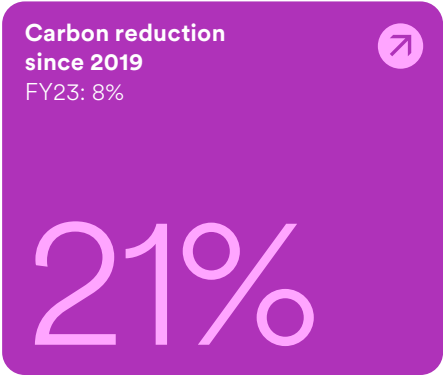
Working for our communities and the planet

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 STthree.

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 ‘STthree 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 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.

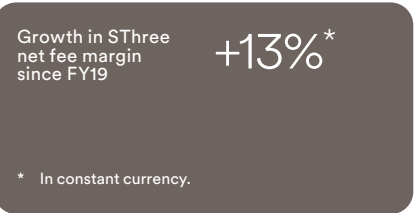
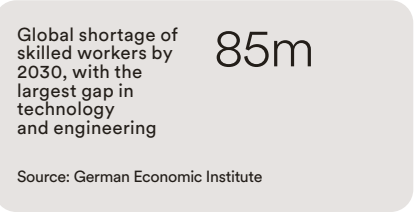
Megatrends impacting supply of STEM skills

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.

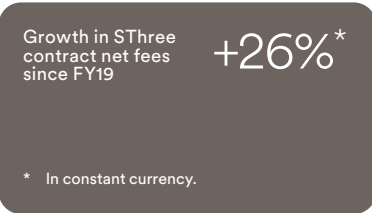
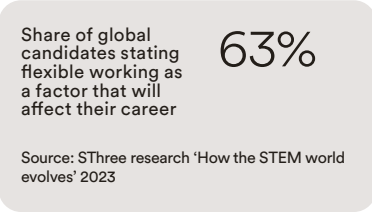


Shifting attitudes to work *previously New working models*

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.



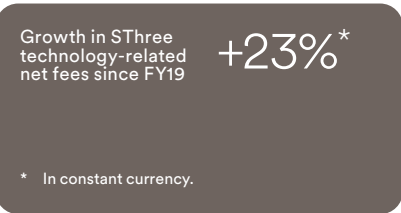
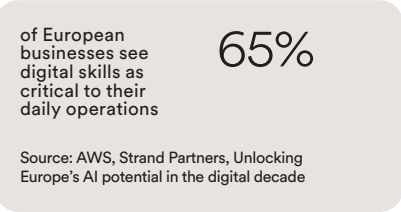
Megatrends driving demand for STEM skills

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.

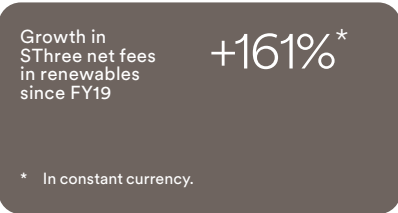
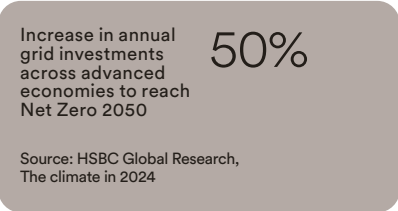
The increased technological complexity and innovative digital technologies, including artificial intelligence (AI) and machine learning, are driving an explosion in demand for specialist technology skills, and will no doubt underpin and grow the world of work.



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.



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.



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

Our business model

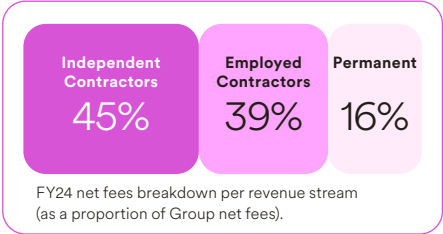
Business model

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.

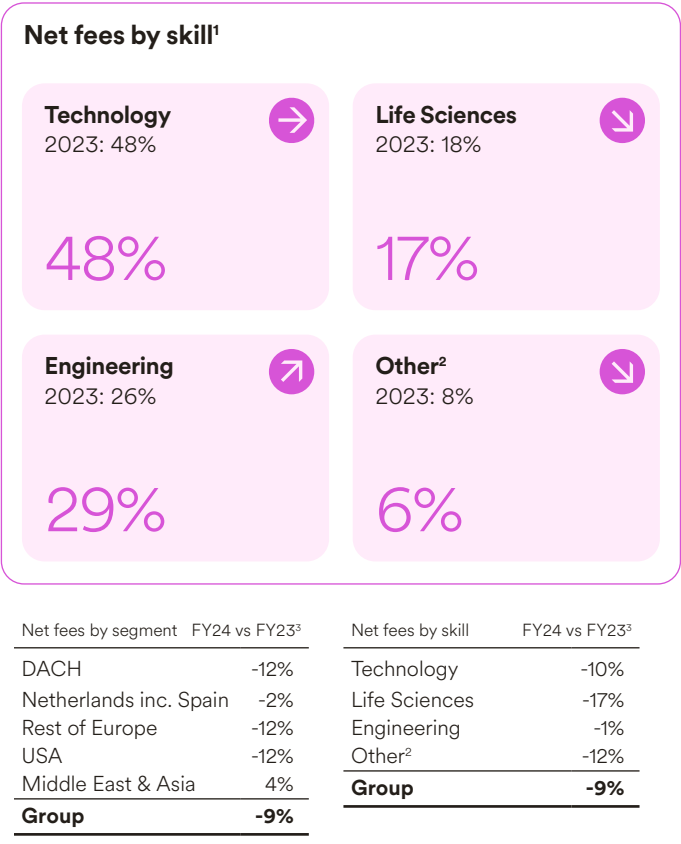
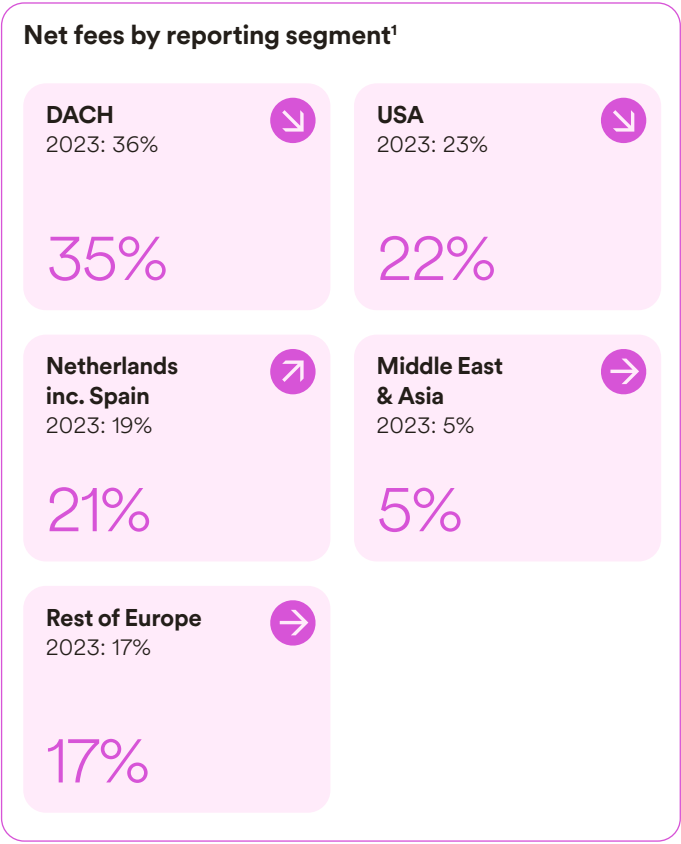
We earn net fees from a well-balanced business
We deliver a comprehensive suite of compliant STEM resourcing solutions to meet clients’ increasingly complex needs.

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.

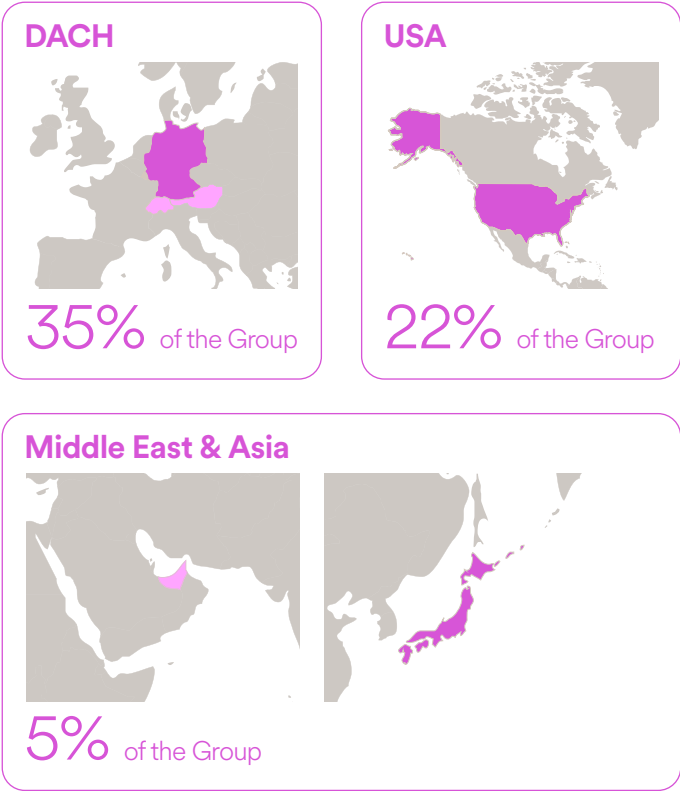
Economically, Contract placements typically provide for higher lifetime value and profitability than Permanent placements.



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.

We are a global business

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



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.

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.



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.



We ensure continuity and prioritise profitable growth

Best employer, best people



**Digital first
– redefining
potential,
unleashing
our vision**



Global Client Strategy

Managing our customer service

Building local sales excellence to high global standards

Insights and reporting

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.

**Knowing where
to play, playing
where we can win**



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



The SThree Way
Our Customer Service Excellence

Our STEM markets and brands with differentiated value propositions



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

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

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
world in FY24

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).

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

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

14.3
pence

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

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

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(including section 172 statement)
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responsible business (including TCFD)
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Strategy overview

	<div>Places</div> <div>To be a leader in the markets we choose to serve</div>	<div>Platform</div> <div>Create a world-class operational platform through data, technology and infrastructure</div>	<div>People</div> <div>Attract, develop and retain great people</div>	<div>Position</div> <div>Leverage our position at the centre of STEM to deliver sustainable value to our candidates and clients</div>
Key performance indicators we track	<ul style="list-style-type: none">– Net fees.– Net fees through global clean energy business.– Basic earnings per share.– Total shareholder return.	<ul style="list-style-type: none">– Operating profit conversion ratio.– Profit before tax.– Carbon reduction.	<ul style="list-style-type: none">– Representation of women in leadership roles.– Employee net promoter score (eNPS).	<ul style="list-style-type: none">– Number of lives positively impacted.
Progress on FY24 priorities	<ul style="list-style-type: none">– Began harnessing data-driven insights to develop dedicated Enterprise Clients service.– Enhanced our service lines, reinvigorating our Permanent offer to meet client needs.	<ul style="list-style-type: none">– 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.	<ul style="list-style-type: none">– 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.	<ul style="list-style-type: none">– Developed Endorsement strategy.– Developed Sales Excellence programme.– Developed Major Global Client service.
Initiatives and immediate priorities for FY25	<ul style="list-style-type: none">– Continue development of Enterprise Clients service.– Harness data-driven insights to empower consultants.– Continue development of specialised teams serving particular sectors and skill verticals.	<ul style="list-style-type: none">– 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).	<ul style="list-style-type: none">– 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.	<ul style="list-style-type: none">– 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.
Our approach to ESG ¹	<ul style="list-style-type: none">– 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.	<ul style="list-style-type: none">– 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.	<ul style="list-style-type: none">– 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.	<ul style="list-style-type: none">– 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.

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.

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

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.

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.

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.

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.

£369m
-9%* on 2023

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

161%
growth* on 2019
Result (% growth on base year FY19)

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

37.4p
-12% on 2023

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

-27.6%
-79.3 pts on 2023

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

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.

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.

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.

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%.

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.

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.

18%
flat in % pts on 2023

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

£68m
-9%* on 2023

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

21%
reduction from base year 2019

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

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.

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.

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 ambitions carbon reduction targets. The impact of these initiatives will be realised in FY25.

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.

Laser-focused on where there's most potential

//

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



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.



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.

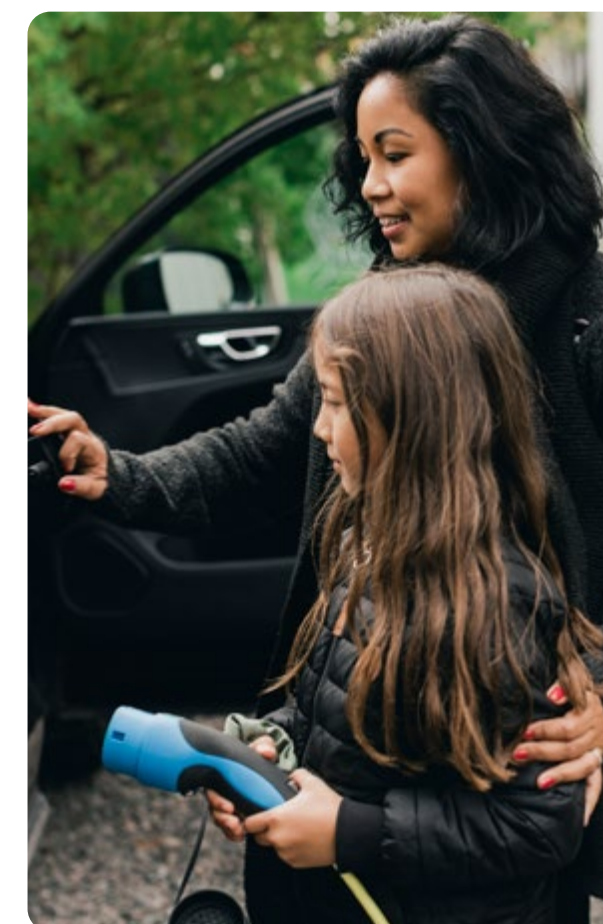
Developing an inclusive culture

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.



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.

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.

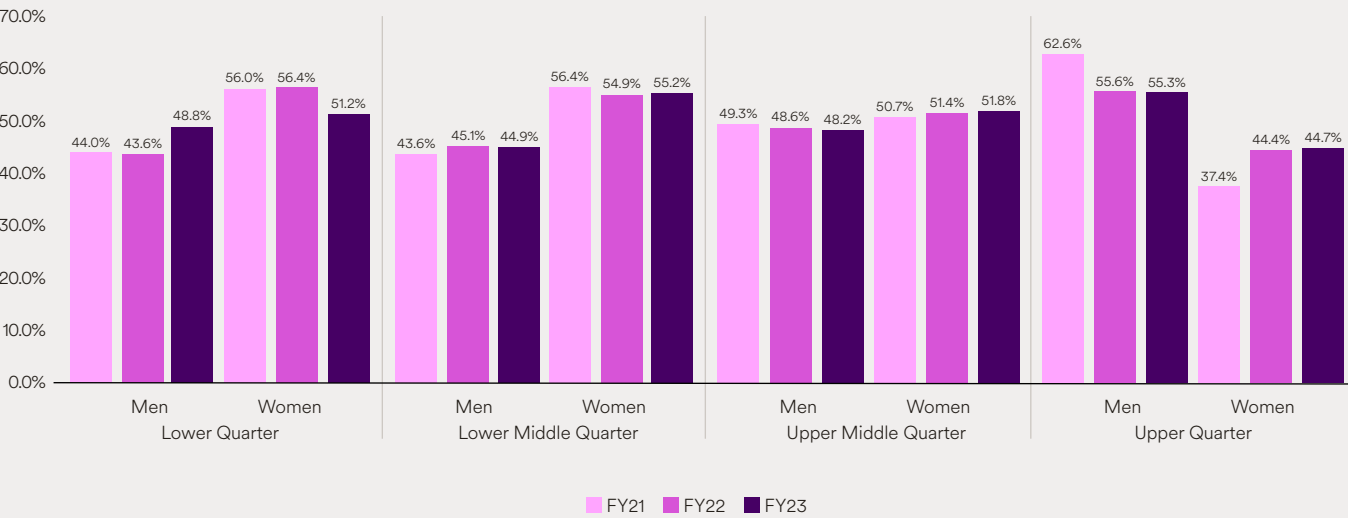
The existing gap is primarily attributed to the continued predominance of men in senior roles, who not only received salary increases throughout FY23 but also earned higher bonuses compared to their female counterparts during the relevant pay period.

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 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

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

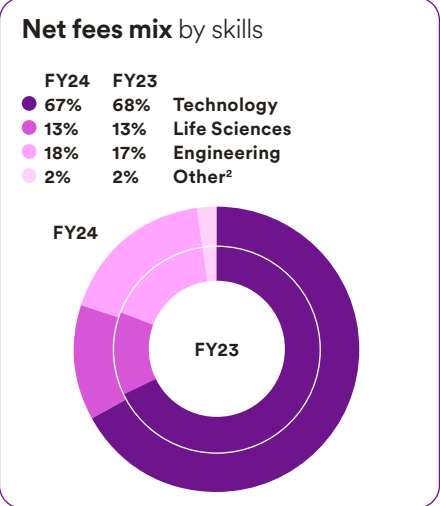
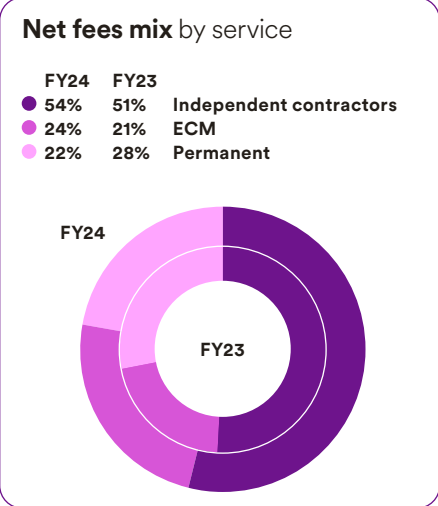
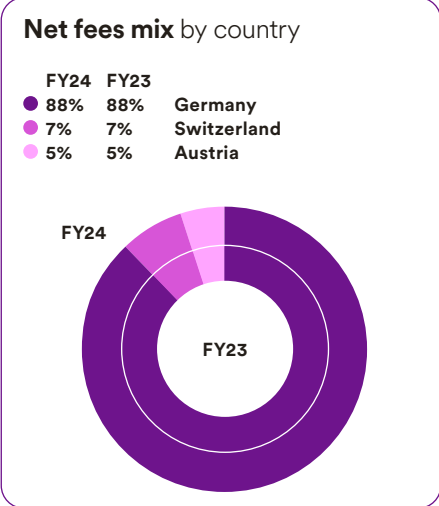
We are focused on how we improve attraction, productivity and retention so employees generate profit sooner after joining SThree. To develop our consultants’ specialist expertise we arrange networking and educational events dedicated to a particular sector or skill where our teams have the opportunity 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.



FY24 Performance Highlights

	FY24	FY23	Variance	
			Reported	Like-for-like¹
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.

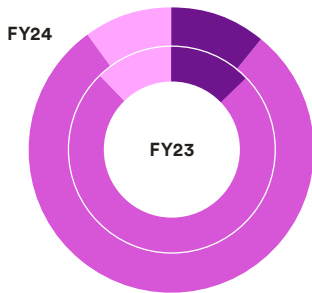
Our local network approach makes sure we are more than just a company that finds projects and takes care of the paperwork and payroll. We develop candidate communities, including groups for everyone at a particular client site. In this way, we become trusted long-term partners, closely attentive and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

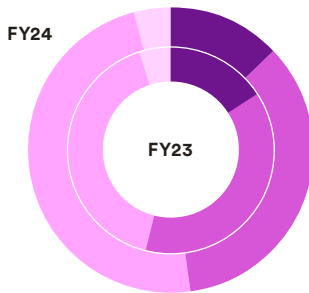
Net fees mix by service

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%	Other²



FY24 Performance Highlights

	FY24	FY23	Variance	
			Reported	Like-for-like¹
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%.

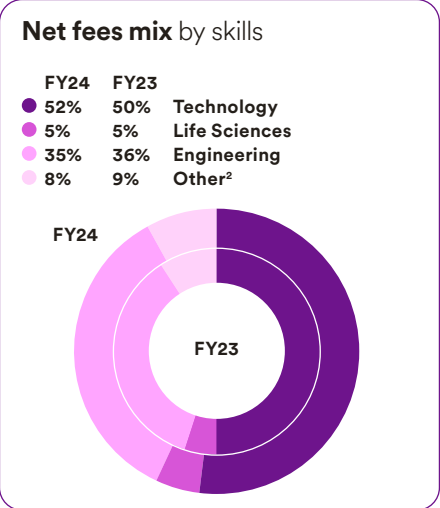
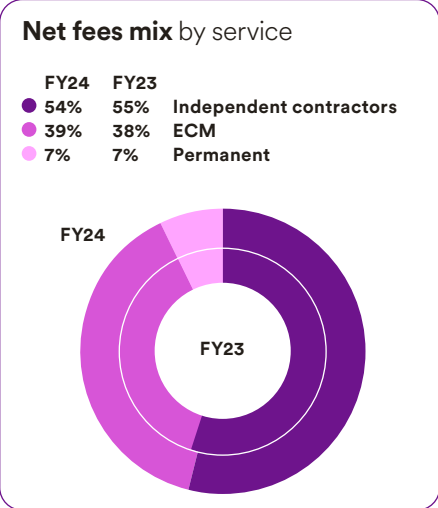
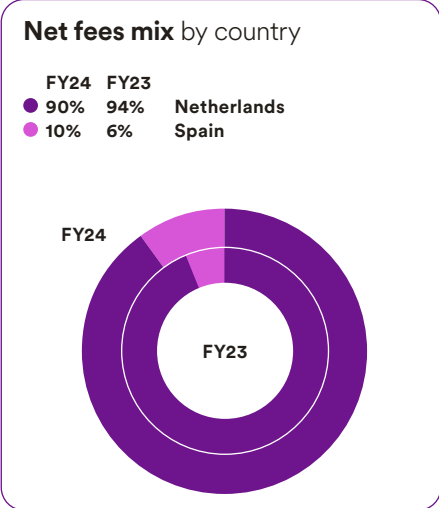
Spain had another impressive year, with net fee growth of 52% driven primarily by Technology.

Our people
We offer a range of employee development programmes for people at every stage of their careers at STthree. 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.



FY24 Performance Highlights

			Variance	
	FY24	FY23	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

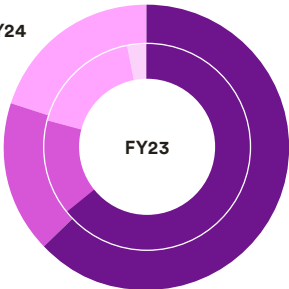
Group net fees

17%

Net fees mix by country

FY24 FY23

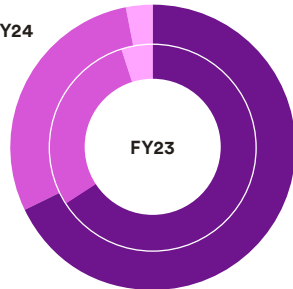
- 63% 64% The UK
- 17% 15% France
- 20% 18% Belgium
- 3% Other – discounted ops



Net fees mix by service

FY24 FY23

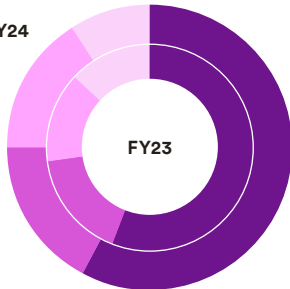
- 68% 66% Independent contractors
- 29% 29% ECM
- 3% 5% Permanent



Net fees mix by skills

FY24 FY23

- 58% 56% Technology
- 17% 17% Life Sciences
- 16% 14% Engineering
- 9% 13% Other³



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.

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



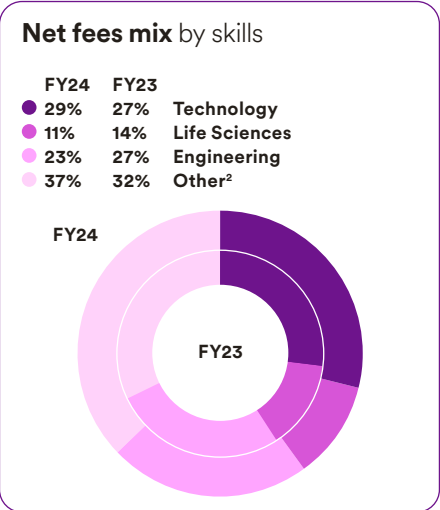
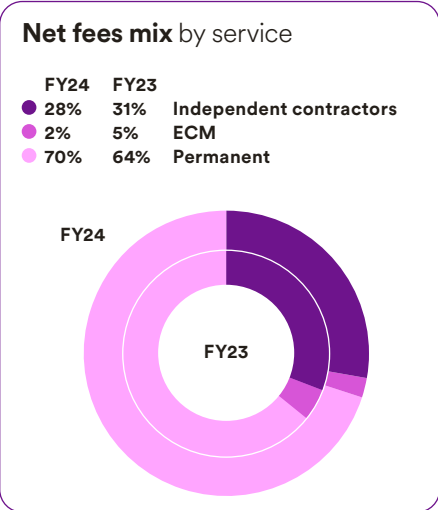
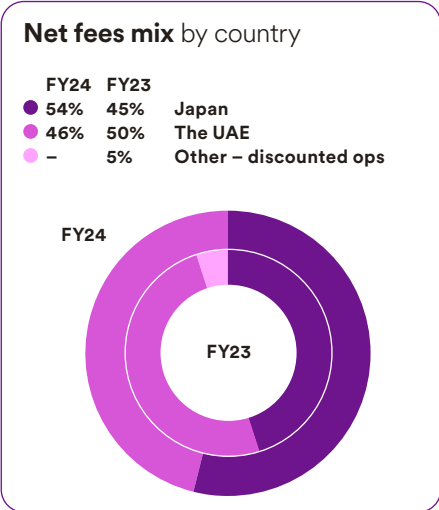
There is healthy pipeline going into 2025 for both Perm and Contract and we have attracted some extremely exciting clients across all industries in different parts of the region.

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



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

5%

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.

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.

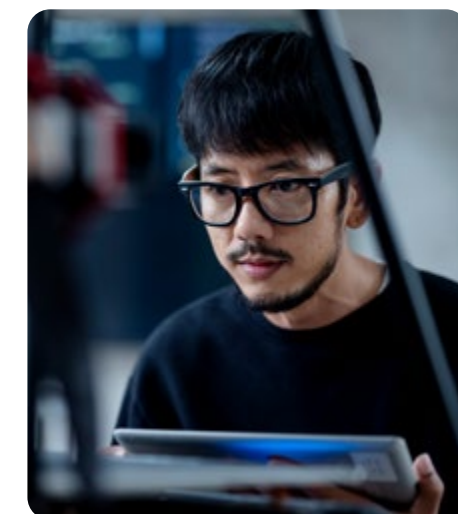
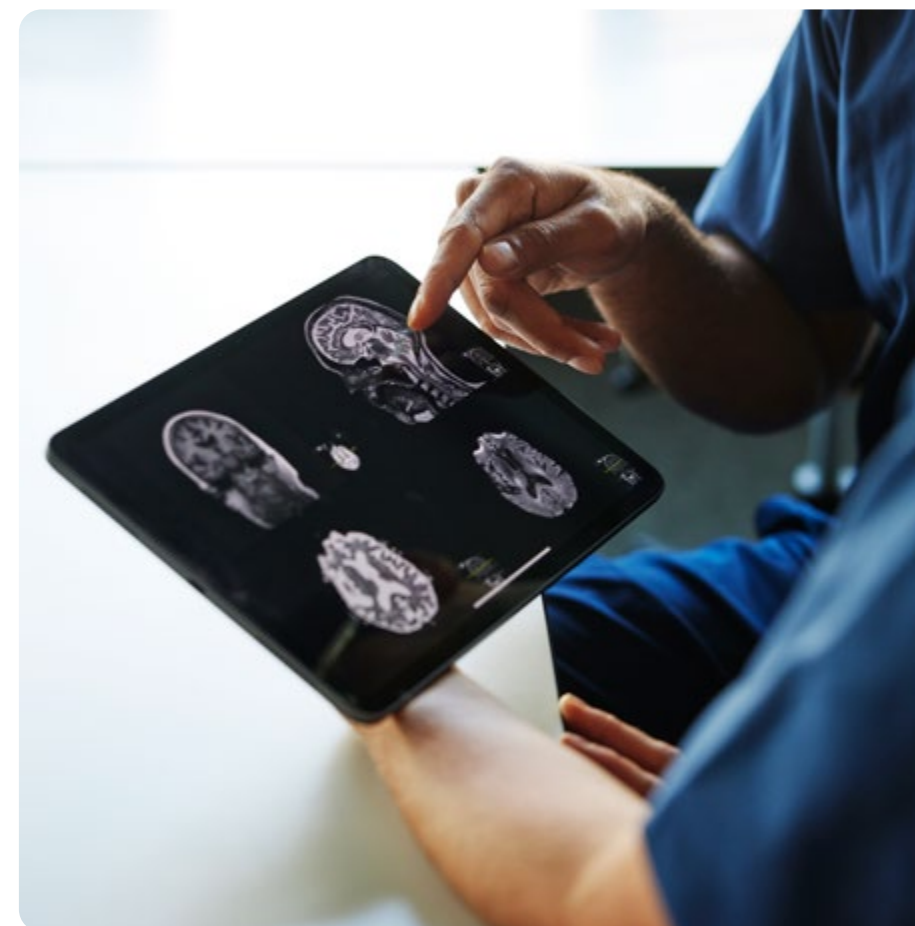
As part of the Global Client Strategy, launched last year, we worked intensively to provide best-in-class tools and data-driven insights, to improve our sales practices (our 'SThree Way' promotes a customer-centric approach). We elevated sales excellence by establishing and following global sales standards, 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.



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.

We’re all in



We think big



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.

We think big



We build partnerships



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.

We think big



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.

+ 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.



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.

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	<div>100% clean energy powered by 2030</div>	<div>100% clean fuelled by 2030</div>	<div></div>	<div>50% reduction in travel emissions by 2030</div>	<div>50% reduction in supply chain emissions by 2030</div>
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. SThree’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.

Climate change governance framework

Develops Company strategy in line with Board appetite.

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.

Reviews and assesses strength of controls related to climate risks and reports on risks to the Executive Committee, Audit & Risk Committee and the Board.

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

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

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

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

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

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

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.

- 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 ST3 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.

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		
Commercial 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.	Net fees generated through clean energy (renewables) business	<div> Green revolution (1.5°C)</div> <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>
		<div> Disruptive change (2°C)</div> <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>
		<div> Fossil fuelled (3°C+)</div> <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>
Timeframe (term):		
Short	Medium	Long
Likelihood:		
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	<div><div></div>Green revolution (1.5°C)</div> <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>
		<div><div></div>Disruptive change (2°C)</div> <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>
		<div><div></div>Fossil fuelled (3°C+)</div> <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>
Timeframe (term):		
Short	Medium	Long
Likelihood:		
Low	Moderate	High



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	<div><div></div>Green revolution (1.5°C)</div> <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>
		<div><div></div>Disruptive change (2°C)</div> <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>
		<div><div></div>Fossil fuelled (3°C+)</div> <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>
Timeframe (term):		
Short	Medium	Long
Likelihood:		
Low	Moderate	High



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								
<p>Responding to the changing demands of the market</p> <p>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.</p>	<p>Net fees generated through clean energy (renewables) business</p>	<p>Green revolution (1.5°C)</p> <p>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.</p> <p>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.</p> <p>Disruptive change (2°C)</p> <p>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.</p> <p>Areas of anticipated growth is across wind investment, storage technology, resilient grid technology, hydrogen investment in Europe longer term.</p> <p>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.</p> <p>Fossil fuelled (3°C+)</p> <p>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.</p> <p>Within this scenario investment in projects continues to be inconsistent with changing agendas influenced by government policy and elections.</p> <p>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.</p>						
<p>Business segments potentially affected:</p> <p>Group-wide</p>								
<p>Timeframe (term):</p> <table><tr><td>Short</td><td>Medium</td><td>Long</td></tr></table> <p>Likelihood:</p> <table><tr><td>Low</td><td>Moderate</td><td>High</td></tr></table>	Short	Medium	Long	Low	Moderate	High		
Short	Medium	Long						
Low	Moderate	High						

Opportunity	Measurement indicators	Potential impact and SThree's response under each assessed scenario						
2. Climate Opportunity								
<p>Alignment to low-carbon clients</p> <p>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.</p> <p>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.</p>	<p>CDP score % reduction in carbon emissions</p>	<p>Green revolution (1.5°C)</p> <p>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.</p> <p>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.</p> <p>This scenario is materialising in Europe at present.</p> <p>Business segments potentially affected:</p> <p>Europe</p> <p>Disruptive change (2°C)</p> <p>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.</p> <p>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.</p> <p>Business segments potentially affected:</p> <p>Europe and USA</p> <p>Fossil fuelled (3°C+)</p> <p>Client requirements for sustainable suppliers is not realised in the timeframe assessed.</p> <p>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.</p> <p>Business segments potentially affected:</p> <p>Group-wide</p>						
<p>Business segments potentially affected:</p> <p>See conclusions under each scenario</p>								
<p>Timeframe (term):</p> <table><tr><td>Short</td><td>Medium</td><td>Long</td></tr></table> <p>Likelihood:</p> <table><tr><td>Low</td><td>Moderate</td><td>High</td></tr></table>	Short	Medium	Long	Low	Moderate	High		
Short	Medium	Long						
Low	Moderate	High						

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’).

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).

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.

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	<p>Our direct GHG emissions are from leased transport, purchased electricity and refrigerant required for our offices (scope 1 and 2).</p> <p>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.</p> <p>For quantitative details please see Streamline energy and carbon reporting (SECR) information.</p>	Reduce absolute scope 1 and scope 2 GHG emissions by 77% by FY30 from a FY19 base year.
% reduction in scope 3 carbon emissions	<p>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.</p> <p>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.</p> <p>For quantitative details and further explanation, please see Streamline energy and carbon reporting (SECR) information.</p>	Reduce absolute scope 3 GHG emissions by 50% by FY30 from a FY19 base year.
% energy procured from clean energy sources	<p>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.</p> <p>In FY24,</p> <p>(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.</p> <p>(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.</p> <p>(iii) We built strong relationships with landlords, particularly within our new office locations, that set out expectations regarding carbon reporting.</p>	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.	Double the size of our clean energy business by FY24 (from FY19 baseline).
	161% (FY23: 142%) growth from FY19 baseline.	
	For more information see Key performance indicators on page 26.	
		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 CO ₂ e (market based)		906	24,811	1,666	22,068	2,231	18,094	-14%	-21%
Total tonnes of CO ₂ e (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 CO ₂ e 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.

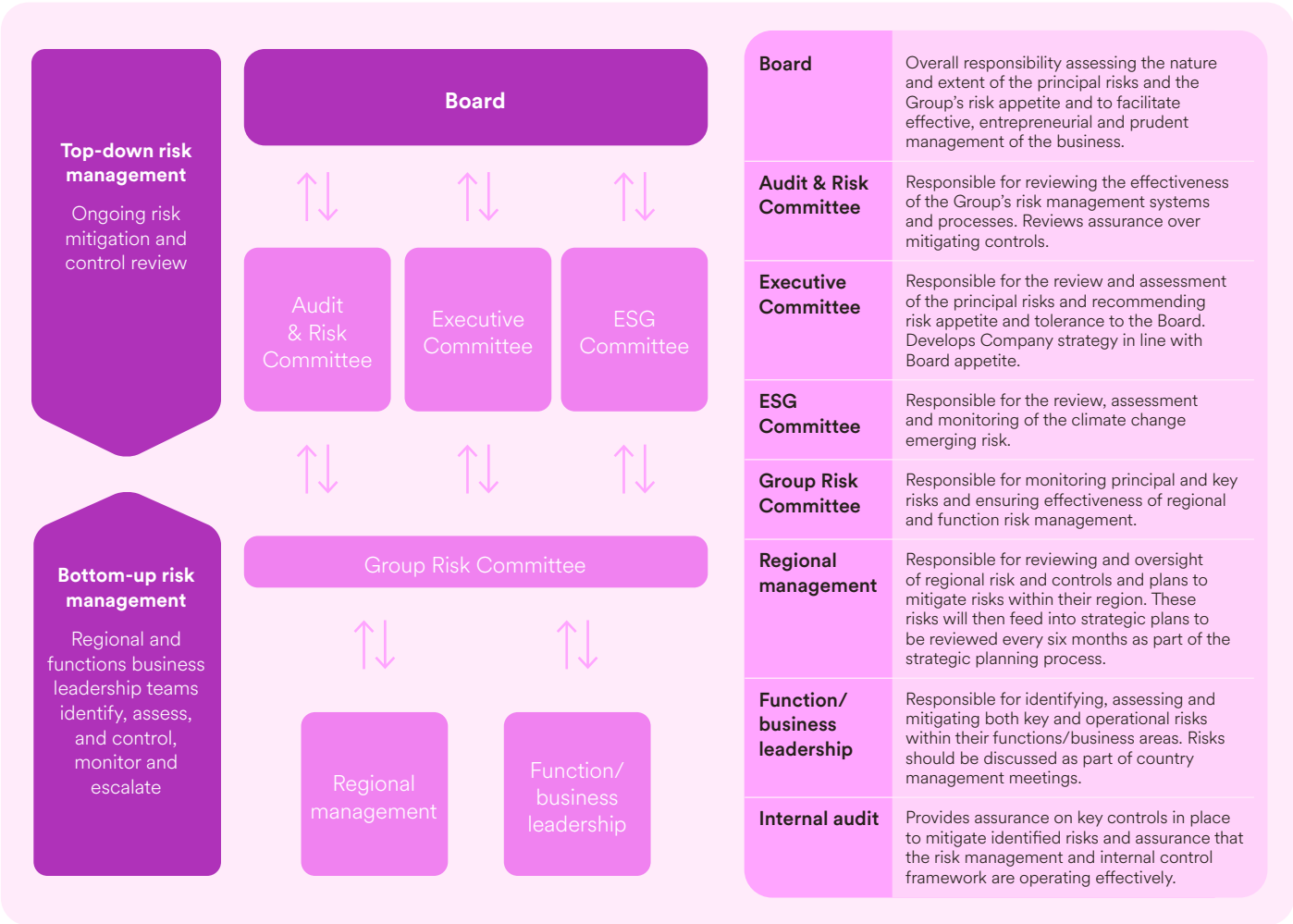
What we review when assessing our principal and key risks:

- 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.

- 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/cyclical 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.

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.

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 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 being 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 management continued

8. Data privacy	
Risk description <p>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.</p> <p>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.</p>	
Mitigations <ul style="list-style-type: none">– 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 <p>No change. Data protection framework with robust policies and procedures through process improvements, training and awareness.</p> <hr/> Executive Committee sponsor: <p>Kate Danson – Chief Legal Officer</p> <hr/> Link to Strategic Pillar: <p>Places, Platform, Position</p> <hr/> Principal risk interdependency: <p>23579</p>

9. Regulatory compliance	
Risk description <p>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.</p> <p>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.</p>	
Mitigations <ul style="list-style-type: none">– 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 <p>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.</p> <hr/> Executive Committee sponsor: <p>Kate Danson – Chief Legal Officer</p> <hr/> Link to Strategic Pillar: <p>Places, Platform</p> <hr/> Principal risk interdependency: <p>235811</p>

10. Strategic change management	
Risk description <p>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.</p>	
Mitigations <ul style="list-style-type: none">– 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 <p>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.</p> <hr/> Executive Committee sponsor: <p>Nicholas Folkes – Chief Operating Officer</p> <hr/> Link to Strategic Pillar: <p>Places, Platform, People, Position</p> <hr/> Principal risk interdependency: <p>2367</p>

11. Health and safety	
Risk description <p>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.</p> <p>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.</p> <p>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.</p>	
Mitigations <ul style="list-style-type: none">– 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 <p>Slight decrease in net risk due to ongoing continuous improvement activities for both internal employees health and that of our ECM contractors.</p> <hr/> Executive Committee sponsor: <p>Kate Danson – Chief Legal Officer</p> <hr/> Link to Strategic Pillar: <p>Platform, People, Position</p> <hr/> Principal risk interdependency: <p>23569</p>

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
Base case scenario	Decline in new placement activity in short term, followed by return to growth in FY26	Macro-economic environment/ cyclical ¹ ity risk
	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.	Strategic change management
		Commercial relationships and customer risk
	– 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%.	
Plausible downside scenario		
	– 5% net fees increase from FY27 and sales headcount growth of 2.5%.	
	Protracted challenging macro-economic conditions in FY25 and some positive outlook expected towards the end of FY26	Macro-economic environment/ cyclical ¹ ity risk
	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.	Strategic change management
		Commercial relationships and customer risk
Severe but plausible scenario		
	– 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%.	
	Prolonged severe macro-economic conditions in FY25 and FY26, followed by return to growth in subsequent years	Macro-economic environment/ cyclical ¹ ity risk
	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.	Strategic change management
		Commercial relationships and customer risk
	– 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%.	

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	– TCFD (governance and risk management) – Our road to net zero carbon emissions – Sustainability policies	– 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	– Our operating principles – Global DE&I policy – Health and safety policy – Whistleblowing policy – Data protection policy – Bullying and sexual harassment policy	– 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	– 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)	– Social targets, pages 62–63 – Governance targets, see Summary of notices and policies available online
D. Respect for human rights	– Our Code of Conduct – Procurement process – The Company’s Modern Slavery and Human Trafficking Statement (online)	– Governance targets, see Summary of notices and policies available online
E. Anti-corruption and anti-bribery matters	– Anti-bribery and corruption policy – Gifts, hospitality and charitable contributions policy	– Governance targets, see Summary of notices and policies available online
Description of principal risks relating to matters A–E above	– 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	– Our business model, pages 18–21
Description of non-financial KPIs	– Key performance indicators, pages 26–29 – Our non-financial KPIs include: – 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:

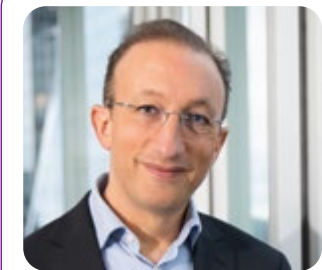
Reporting requirement	Further information
(a) Group’s governance for assessing and managing climate-related risks and opportunities	Pages 69–70
(b) How climate-related risks and opportunities are identified, assessed and managed	Pages 71, 83
(c) How processes for identifying, assessing, and managing 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



Laser-focused on delivering a sustainable future through STEM

Governance Report

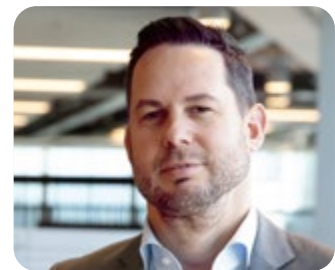
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James Bilefield
Non-Executive Chair

N R

Appointed: October 2017



Timo Lehne
CEO and Executive Director

Appointed: January 2022



Andrew Beach
CFO and Executive Director

Appointed: July 2021



Denise Collis
Senior Independent
Non-Executive Director and
Employee Engagement NED

R A N

Appointed: July 2016



Elaine O'Donnell
Independent Non-Executive
Director

A N R

Appointed: October 2022



Imogen Joss
Independent Non-Executive
Director

A N R

Appointed: December 2022



Sanjeevan Bala
Non-Executive Director

A N R

Appointed: April 2024



Kate Danson
Chief Legal Officer and
Company Secretary

Appointed: May 2021

Experience

James Bilefield was appointed to the SThree Board as Senior Independent Director and Chair Designate in October 2017, becoming Chair in April 2018. He is Chair of the Nomination Committee and a member of the Remuneration Committee.

James is a Trustee of the Science Museum Group, the world's leading group of science museums and was appointed as a Non-Executive Director of the Foreign, Commonwealth & Development Office in April 2024. He is also an advisor to McKinsey & Company, SystemIQ and the Cabinet Office.

He managed the digital transformation of media group Condé Nast across 27 countries, scaled Skype's global operations as part of its founding management team and held senior management roles at Yahoo! during its major growth phase. Formerly CEO of global advertising technology company, OpenX, he also co-founded the UK local information business, UpMyStreet, following an investment banking career at JP Morgan Chase. James was previously a Non-Executive Director of MoneySupermarket.com, stepping down in May 2022, and Stagecoach Group plc, stepping down in June 2022 following its acquisition and subsequent delisting from the London Stock Exchange.

Experience

Timo Lehne was appointed CEO in April 2022 having joined the Board as interim CEO and an Executive Director on 1 January 2022. Prior to this Timo was a Senior Managing Director with full responsibility for the day-to-day running of SThree's largest region, DACH, which comprises Germany, Austria and Switzerland.

Timo studied International Economics in the Netherlands before joining our Progressive Recruitment business in Germany as a sales consultant in 2006. He was appointed Senior Business Manager in Düsseldorf for SThree in 2009, quickly turning it into our fastest growing business and growing the city's share of net fees within the DACH region from 4% in 2009 to 27% in 2012. He was promoted to Senior Sales Director in 2013, taking joint responsibility for the running of the overall DACH business and in 2017 became Managing Director for the region, where he was responsible for the overall DACH business of SThree accounting for over 33% of the Group's revenue and more than 1,000 employees across ten locations.

Experience

Andrew Beach was appointed to the SThree Board in July 2021, joining from Hyve Group plc, a global exhibitions business. As CFO he holds full responsibility for the financial strategy and financial activities across the SThree Group.

He is an accomplished CFO with considerable experience in listed companies. He has global experience of business transformation, funding and M&A in fast-paced and high-growth companies and has extensive experience of working alongside boards and senior leadership on company strategy and direction.

As CFO of Hyve, Andrew was instrumental in leading the company through a period of significant transformation and rapid international growth, which resulted in its promotion to the FTSE 250. Previously, he held a number of roles at Ebiquity plc, joining as Group Financial Controller in 2007 and quickly being appointed as CFO in 2008. In 2014 he was promoted to Chief Financial and Operating Officer. Andrew trained and qualified as a Chartered Accountant with PwC, working with them from 1998 until 2007.

Experience

Denise Collis was appointed to the SThree Board, Nomination Committee and Remuneration Committee in July 2016. Denise was appointed as Chair of the Remuneration Committee in September 2016, and became a member of the Audit & Risk Committee in April 2018. In October 2018 Denise was appointed Senior Independent Director and, with effect from 1 December 2018, was appointed as Employee Engagement NED.

Denise was previously a Non-Executive Director and Chair of the Remuneration Committee at Smiths News plc until stepping down after nine years at their AGM in January 2025. She was also a Non-Executive Director and Chair of the Remuneration Committee of Emis Group plc, until its acquisition and subsequent delisting from the London Stock Exchange in October 2023. Prior to this, she was Group HR Director for 3i Group plc, and most recently Chief People Officer for Bupa. She has extensive international Human Resources and executive committee experience, and has also held senior roles at EY, Standard Chartered plc and HSBC. Denise is a Fellow of the Chartered Institute of Personnel and Development.

Denise will be retiring from the Board in June 2025, having served as a Non-Executive Director for nine years.

Experience

Elaine O'Donnell was appointed to the SThree Board, the Remuneration and Nomination Committees and as Chair of the Audit & Risk Committee in October 2022.

Elaine is the Senior Independent Non-Executive Director and Chair of the Audit & Risk Committee of both On The Beach Group plc and The Gym Group plc.

Elaine qualified as a Chartered Accountant at PwC and then spent the majority of her executive career specialising in corporate finance, latterly serving as a partner in Transaction Advisory Services at EY. Throughout her career, she has worked extensively with global businesses across a range of market capitalisations and industry sectors.

Elaine was previously Chair of Games Workshop Group plc and a Non-Executive Director of Studio Retail Group plc.

Experience

Imogen Joss was appointed to the SThree Board, the Audit & Risk, Remuneration and Nomination Committees in December 2022.

Imogen is Non-Executive Director and Senior Independent Director of Fintel plc and Chair of its Remuneration Committee, and a Non-Executive Director of XPS Pensions Group PLC. Imogen is also Chair of Grant Thornton UK LLP, the accounting and consulting firm, and a Non-Executive Director of Envetec Sustainable Technologies.

Imogen spent her executive career working in senior general management, sales and marketing roles for a range of information services and other companies, including the London Stock Exchange Group plc and S&P Global Inc.

Imogen was previously a Non-Executive Director and Chair of the Remuneration Committee of Euromoney Institutional Investor plc, stepping down in November 2022 on completion of the acquisition of Euromoney and its delisting from the London Stock Exchange.

Experience

Sanjeevan Bala was appointed to the SThree Board, the Audit & Risk, Nominations and Remuneration Committees in April 2024.

Sanjeevan is a Non-Executive Director and the Designated Workforce Engagement NED at Bakkavor Group plc, Co-Chair of the Chief Data and AI Office Board at Evanta, a Gartner Company and on the Advisory Board of DatalQ. He is also a guest lecturer at INSEAD Business School where he teaches applied AI to Global MBA students.

Sanjeevan has extensive experience driving customer-centric technology transformation, having most recently been responsible for driving the digital data and AI transformation of the UK's largest commercial broadcaster and media company, ITV plc as the Group Chief Data and AI Officer. Prior to this, Sanjeevan was Head of Data Science at Channel 4 and held senior roles at Dunhumby, a global leader in Customer Data Science. Sanjeevan has successfully operated across a range of sectors including media, retail, financial services, digital marketplaces and telecoms.

Experience

Kate Danson joined SThree in 2021. She is responsible for leading the provision of legal services, as well as holding responsibility for enterprise risk, business integrity, health and safety and insurance across the SThree Group and is the PLC Company Secretary. Prior to joining, she was General Counsel, Group at Johnson Matthey plc, responsible for leading the provision of legal services across the global group functions. She had previously worked in a variety of senior global roles within Johnson Matthey.

Kate brings a wealth of knowledge and experience in complex global legal, ethics and compliance, business and risk management issues. She is a qualified solicitor and started her career in private practice at the international law firm Ince & Co.

Kate completed a degree at King's College London before studying at the College of Law between 2002 and 2004.

Chair's governance statement

I am pleased to introduce SThree plc's Corporate Governance Report for the financial year ended 30 November 2024.



The Board continues to shape and develop our culture with a focus on diversity and inclusion and we have maintained oversight of the Group's initiatives in this important area.

James Bilefield
Chair

Key governance and oversight activities since my last report:

- Review of the Board's oversight of culture, with focus on how it can better assess and monitor culture to ensure behaviours, policies and practices are aligned with the Company's purpose, values and strategy.
- Continued focus on strategic prioritisation, including monitoring the progress and roll out of our Technology Improvement Programme (TIP), and associated change management.
- Monitoring performance of different sales cohorts and the workstreams to enable and increase efficiency of our fee earners.
- Reviewing the global client strategy.
- Reviewing and approving the framework for products and services, taking into account regulatory and contractual risks and approving new business models for certain of our countries.
- Receiving updates from management of key markets, including DACH, the Netherlands, the US, the UK and Japan.
- Review of ESG activities, including Non-Executive Director attendance of ESG Committee meetings.
- The continued refresh of the Board, appointing Sanjeevan Bala as a new Non-Executive Director.
- Continued monitoring of our talent acquisition strategy and DE&I metrics and activities.
- Reviewed and set gender and ethnicity targets for senior leadership.
- Direct engagement through investor calls and meetings and feedback following investor meetings.
- Approval of a new Code of Conduct.
- Approving new property leases in several key cities.
- Progressing the actions from the 2023 Board effectiveness review and conducting an externally facilitated Board effectiveness review.
- Holding a number of Board engagement sessions with employees from across our business and providing the opportunity for certain of those employees to attend part of a Board meeting and give their feedback.
- Receiving reports from the designated Employee Engagement NED on employee engagement activity and outcomes.
- Reviewing our Health and Safety activities across the Group.
- Reviewed the Group's Governance Framework.
- Following the Q4 Trading Update, considering and implementing a £20 million share buyback programme.

Further reading: Read my introduction to strategy on page 8.

Compliance with the UK Corporate Governance Code 2018

The Board considers that the Company has applied the principles and complied with the provisions of the Code throughout the year ended 30 November 2024.



Chair’s governance statement continued



Dear Shareholder

This report sets out our Governance Framework and outlines key activities undertaken during the year. The SThree Board aspires to adopt governance best practice wherever possible and our statement of compliance with the UK Corporate Governance Code published by the Financial Reporting Council (FRC) in July 2018 (the Code) can be found on page 99.

It is my responsibility as Chair to ensure that the Group has sound corporate governance and that the Board continues to be effective. This is managed by ensuring that the Group and the Board are acting in the best interests of our various stakeholders and making sure that the Board discharges its responsibilities appropriately. This includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

Since my last report there have been two changes to the Board composition. In April 2024 we said goodbye to Barrie Brien, who retired after more than six years on the Board to focus on his other professional commitments. In the same month we welcomed Sanjeevan Bala as a new Non-Executive Director. Sanjeevan has extensive experience driving customer-centric technology transformation and is already making a valued contribution to the Board.

As recently announced, Denise Collis will be retiring from the Board at the end of June 2025 upon reaching nine years’ service. I am immensely grateful to Denise for her significant contribution and dedication since her appointment. In addition to discharging her responsibilities as Senior Independent Director and Remuneration Committee Chair, Denise embraced the role of being our first Employee Engagement NED and has been a champion and mentor for many of our colleagues in the business.

Denise’s retirement brings a number of consequential changes which will be announced in due course.

SThree has always been driven by core business principles, led by a desire to add value as a recruitment partner and play a positive role in society.

Our purpose and culture demonstrate a commitment to driving performance for the Group’s long-term success and to treating all clients, candidates, employees, suppliers and communities with respect as key stakeholders and partners in our business. Our approach to stakeholder engagement during the year is set out in the Strategic report.

As described in my report last year, the Board has increased its focus on how the Board shapes and monitors our efforts in ESG. While the ESG Committee continues to be a management committee, chaired by the Chief Executive, Non-Executive Directors now attend meetings on a rolling basis. The enhanced focus on ESG matters includes a dedicated quarterly Board agenda slot.

As Chair I have had the pleasure of visiting a number of our offices this year. In March, the Board, together with our Executive Committee, visited our Glasgow office and held an all-employee townhall meeting as well as spending time with the local management team and senior leaders. We also had the opportunity to hear from members of our future female leaders programme: ‘Identify’, and to attend the closing ceremony of this year’s cohort.

In June, the Board had the pleasure of visiting our vibrant Amsterdam business. I have also had the opportunity to travel to our offices in Germany and in October I visited a number of our US sites including New York, San Diego and Houston, spending time with both management and our broader employee population.

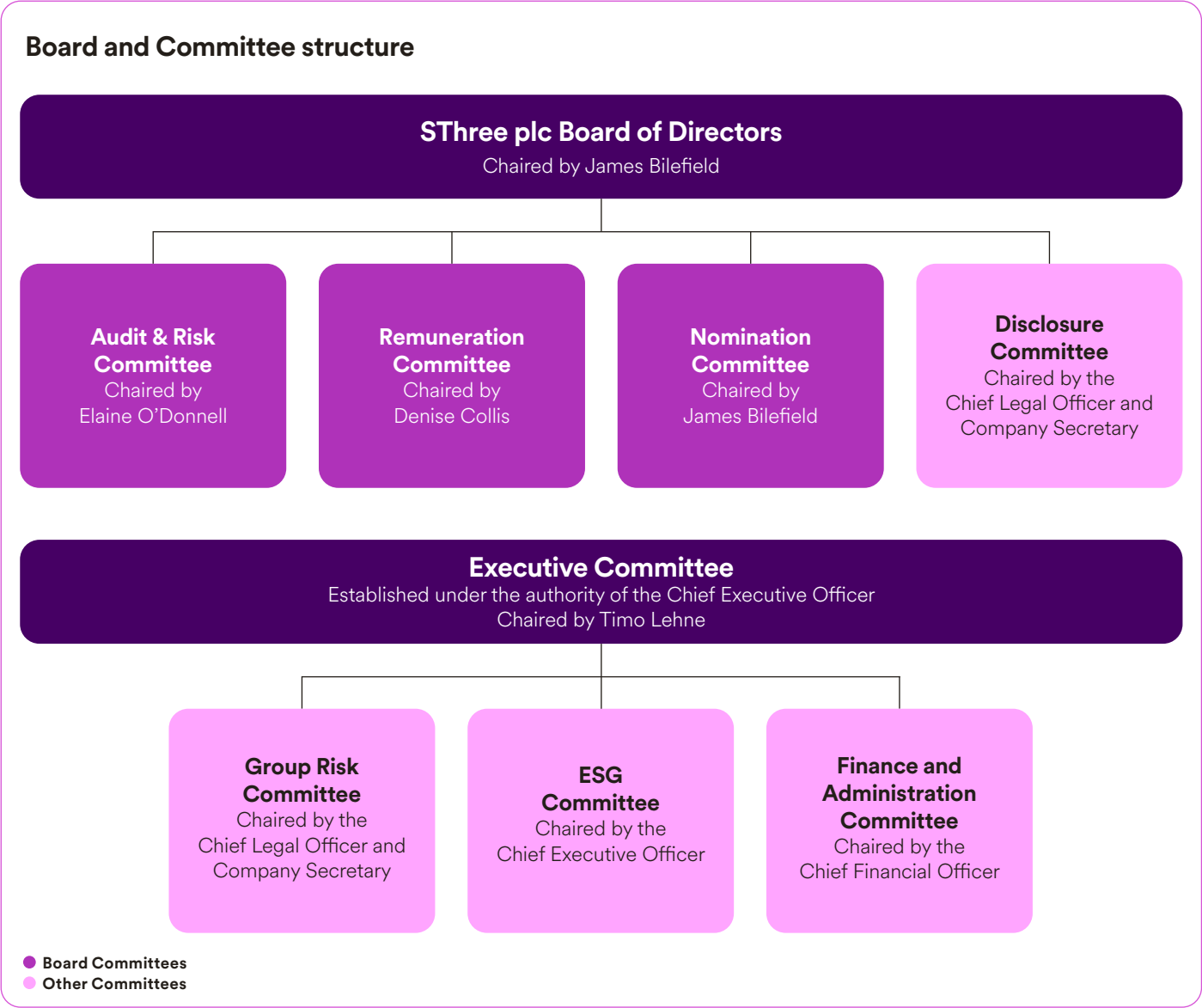
In October of this year I joined fellow Directors in attending our global leadership conference in London where attendees focused on our strategy, the highlight of which was a panel event with a selection of our customers, as we continue to put our customers at the centre of our business.

The Board continues to shape and develop our culture with a focus on diversity and inclusion and we have maintained oversight of the Group’s initiatives in this important area. Further information on diversity and gender pay can be found in the Strategic progress section.

Finally, I would like to take this opportunity to thank all of our stakeholders for their support during this year. I, along with the Board, am available to respond to any questions on this report or any of our activities both now and at the 2025 Annual General Meeting.

James Bilefield
Chair
27 January 2025

Governance Framework



Skills Matrix

	James Bilefield	Timo Lehne	Andrew Beach	Denise Collis	Elaine O'Donnell	Imogen Joss	Sanjeevan Bala	
Skill Areas	Strategy & Transformation	✓	✓	✓	✓	✓	✓	
	Finance			✓	✓		✓	
	Risk Management	✓		✓	✓			
	People & Culture		✓		✓	✓	✓	
	Marketing					✓	✓	
	Tech & Cyber Security	✓				✓		
	Data	✓	✓	✓		✓	✓	
	ESG/Responsible Business	✓		✓	✓	✓		
	Commercial		✓	✓			✓	
Experience	Sector	Technology, Publishing, Financial Services	Staffing, Professional Services	Events Services, Marketing Services and Accountancy	Healthcare, Professional Services, Financial Services	Consumer, Leisure, Professional Services, Ecommerce, Retail	Media, Retail, Financial Services, Health, Education, Telecoms	Business Information, Professional Services
	International	UK, US, Europe	UK, US, Europe, Asia	UK, US, Europe, Middle East, Asia	UK, Americas, Europe, Middle East, Asia, Australasia	UK, Europe, North America and Australasia	UK, North America, Europe, APAC	UK, Europe, Middle East, North America, APAC

Board roles and responsibilities

Chair

The Chair is responsible for ensuring an effective Board. This requires a culture of mutual respect, openness, debate and constructive challenge.

The Chair encourages open communication and constructive working relations between the Executive and Non-Executive Directors. He also seeks to ensure that the Executive Directors are responsive to constructive challenge on their proposals by the Non-Executive Directors.

The Chair ensures that SThree maintains effective communications with our shareholders, communicating the views of shareholders to the Board so that all Directors develop an understanding of the views of the major investors in the Group.

In addition, he also ensures the Board listens to the views of the workforce, customers and other stakeholders, especially in the context of principal decisions.

With the assistance of the Company Secretary, the Chair sets the Board's agenda, ensuring adequate time is available to discuss all agenda items. To facilitate constructive Board discussion, the Chair ensures there is a timely flow of high-quality, accurate, clear information.

Senior Independent Director

The Senior Independent Director's role is to provide a sounding board for the Chair, to act, if necessary, as a focal point and intermediary for the other Non-Executive Directors and to ensure that any key issues that are not being addressed by the Chair or the executive management are taken up. The Senior Independent Director and the Chair maintain a regular dialogue regarding current issues. The Board recognises that, should any significant issues arise which threaten the stability of SThree or its Board, the Senior Independent Director may be required to work with the Chair or others or to intervene to resolve them.

The Senior Independent Director is available to shareholders should they have concerns which have not been resolved from contact through the normal channels of the Chair, Chief Executive or other Executive Directors or if the normal channels may be inappropriate. The Senior Independent Director is also available to attend meetings with major shareholders to listen to their views in order to help develop a balanced understanding of their issues and concerns.

The Senior Independent Director is responsible for leading the annual appraisal of the Chair's performance and plays an important role by ensuring there is an orderly process for succession to the role of Chair of SThree.

Chief Executive

Our Chief Executive has day-to-day management responsibility for running the Group's operations, for implementing the Group's strategy as approved by the Board, for applying Group policies and for promoting the Company's culture and standards, including those on governance. He has the broad authority from the Board to run the Company and he is accountable for, and reports to the Board on, how it is performing. Our Chief Executive also has a key role in the process for the setting and review of strategy. In addition, he ensures that the Executive Directors' views on business issues and views from the workforce on relevant issues are shared with the Board in a balanced way.

There is a clear division between the Chair's responsibilities for running the Board and the Chief Executive's role for the running of the business.

This division of responsibilities is established in a written statement.

Non-Executive Directors

The role of our Non-Executive Directors is to scrutinise management's performance in meeting agreed goals and objectives and to monitor how that performance is reported. They must also be satisfied with the integrity of the Group's financial information on the effectiveness of financial controls and risk management systems. As members of the Board, the Non-Executive Directors bring independent judgement and a range of experience to the Board and therefore have a key role in constructively challenging in all areas. This is vital to the independence and objectivity of the Board's deliberations and decision making and is particularly important in helping develop proposals on strategy. The Chief Executive and the other Executive Directors welcome, and are responsive to, constructive challenge by the Non-Executive Directors on their proposals. The Non-Executive Directors' role is to support the decisions that have been taken and to support the executive team in their delivery. Non-Executive Directors also play an important part in supporting the Chair and the Executive Directors in embracing and representing the Company's culture, values and standards within the Board and throughout SThree. The Non-Executive Directors are responsible for determining appropriate levels of remuneration for the Executive Directors and have a prime role in appointing and, where necessary, removing Executive Directors, and in succession planning.

Chief Financial Officer

The CFO is responsible for the management of the Finance function. He leads the Group's finance activities, finance risks and controls, Group funding arrangements and the Investor Relations function. As a Director, the CFO's responsibilities extend beyond the Finance function to include the whole of the Group's operations and activities, supporting the CEO in the delivery of the corporate strategy.

Company Secretary

The Company Secretary reports to our Chair on Board governance matters and together they keep the efficacy of the Company's and the Board's governance processes under review. The Company Secretary is responsible for advising and keeping the Board up to date on all legislative, regulatory and governance matters and developments.

The Company Secretary's responsibilities also include ensuring good information flows within the Board and its committees and between senior management and Non-Executive Directors. The Company Secretary facilitates Board inductions and assists with professional development as required. The Company Secretary's advice, services and support are available to each Director.

Our Board

Board and Committee attendance

The Board has established various Committees, each with clearly defined Terms of Reference, procedures and powers. The Terms of Reference for the Audit & Risk, Remuneration and Nomination Committees are reviewed regularly and are aligned closely with the UK Corporate Governance Code. They are available at www.sthree.com.

In addition to the scheduled Board meetings held during the year, the Board met for a dedicated strategy session and ad-hoc meetings as required. The number of scheduled Board meetings held, and attendance at each, is set out in the table below. All Directors attended the Annual General Meeting. Attendance at each of the Committee meetings can be found in the Audit & Risk, Remuneration and Nomination Committee reports.

Should Directors be unable to attend meetings due to unavoidable commitments, full Board packs are distributed and separate dialogue held with the Chair on all matters of relevance. Further details of each Committee are contained in the Remuneration, Audit & Risk and Nomination Committee sections of this Annual Report and Accounts.

Director	Scheduled Board meetings attended
James Bilefield	8/8
Timo Lehne	8/8
Andrew Beach	8/8
Denise Collis	8/8
Barrie Brien	2/2
Imogen Joss*	7/8
Elaine O'Donnell	8/8
Sanjeevan Bala	6/6
* Did not attend a Board meeting due to a prior commitment.	
Note: Sanjeevan Bala joined the Board after the AGM held on 25 April 2024 and Barrie Brien stepped down.	

Composition of the Board

The Board comprises a balance of Executive and Non-Executive Directors who bring a wide range of skills, experience and knowledge to its deliberations. The Non-Executive Directors fulfil a vital role in corporate accountability and have a particular responsibility to ensure that the strategies proposed by the Executive

Directors are fully discussed, constructively challenged and critically examined, not only in the best long-term interests of shareholders, but to also take account of the interests of customers, employees and other stakeholders. The Non-Executive Directors are all experienced and influential individuals and through their mix of skills and business experience, they contribute significantly to the effective functioning of the Board and its Committees. This ensures that matters are fully debated and that no one individual or small group dominates the decision-making process.

Directors have a wide range of experience of various industry sectors relevant to the Group's business and each member brings independent judgement to bear in the interests of the Company on issues of strategy, performance, resources and standards of conduct. The Board is of sufficient size to match business needs and members have an appropriate and varied range of skills, vital to the success of the Group.

The composition and performance of the Board and each Committee is evaluated at least annually to ensure the appropriate balance of skills, expected time commitment, knowledge and experience, and the Directors can therefore ensure that the balance reflects the changing needs of the Group's business and is refreshed if necessary. Board members feel a strong cultural affinity with the Group, engaging fully as a committed team and in a wide variety of activities with our employees around the globe, whether it be an office visit, or presentation by management. The Nomination Committee report gives further information on activity in this regard, including changes in Board composition, succession planning and diversity and inclusion activity.

Excluding the Chair, the other Non-Executive Directors have been determined by the Board throughout the year as being independent in character and judgement with no relationships or circumstances which are likely to affect, or could appear to affect, each Director's judgement.

The Board has a Non-Executive Chair, who is not classed as independent because of his position but who met the independence criteria set out in the Code on appointment. At least half the Board is comprised of Non-Executive Directors determined by the Board to be independent, as required by the Code.

The role of the Board

Our Board's role is to provide leadership of the Company and direction for management. It is collectively responsible and accountable to our shareholders for the long-term sustainable success of the Group, for generating value for shareholders, contributing to wider society and for ensuring the Group is appropriately managed and operates responsibly, with effective controls, as it pursues its objectives.

The Board reviews the performance of management and the operating and financial performance of the Group as a whole. In particular, the Board is responsible for establishing the Company's purpose and values and setting strategy, determining risk appetite, ensuring appropriate risk management and internal controls are in place, ensuring good governance, decision making and promoting the desired culture. The Board also ensures that plans are in place for orderly succession for appointments to the Board and to senior management, so as to maintain an appropriate balance of skills and experience within the Company and on the Board.

In order to carry out its work, the Board, which usually meets formally eight times a year, agrees an annual agenda plan to ensure all necessary matters are covered and to allow sufficient time for debate and challenge. In particular, the Board has sought to ensure there is sufficient time to discuss strategy so that the Non-Executive Directors have a good opportunity to challenge and help develop strategy proposals. The Board also takes time to review past decisions where necessary.

At Board meetings, the Board receives and considers papers and presentations from management on relevant topics. Effective review and decision making are supported by providing the Board with high-quality, accurate, clear and timely information, including input from experts and independent advisers where necessary. The Board seeks to work in the best interest of SThree plc and its stakeholders.

Certain powers are delegated to the Remuneration Committee, Audit & Risk Committee and Nomination Committee, with details of the roles and responsibilities of these Committees being set out under the relevant sections.

Our Board continued

Division of responsibilities

In order to facilitate more efficient working practices there are agreed Terms of Reference for the Board’s main Committees and for the Group’s management committees, including an Executive Committee, a Disclosure Committee, a Group Risk Committee, an ESG Committee, and a Finance and Administration Committee, all of which provide a clear framework of delegated authorities.

The Board is responsible to shareholders for the proper management of the Group and has identified key financial and operational areas that require regular reporting and which enable the performance of senior management to be reviewed and monitored. These are set out in a schedule of matters reserved for the Board, which is reviewed on a regular basis.

The schedule outlines all matters requiring specific consent of the Board, which include the approval of Group strategy, operating plans, annual budget, the Annual Report and Accounts, the Interim Report, trading updates, major divestments and capital expenditure, meaningful acquisitions and disposals, the recommendation of dividends and the approval of treasury, tax and risk management policies.

The schedule therefore facilitates structured delegation, subject to certain financial limits, and provides a practical framework for executive management and reporting, which seeks to achieve the objectives of maintaining effective financial and operational controls, whilst allowing appropriate flexibility to manage the business. The current schedule of matters reserved for the Board, which has been incorporated into a new Corporate Governance Framework, is available on the Company’s website at www.sthree.com.

Information and support

Board and Committee meeting papers are circulated well in advance of the relevant meeting and where a Director is unable to attend he/she is provided with a copy of the papers and has the opportunity to comment on the matters under discussion.

The Company Secretary helps to ensure information flows between the Board and Committees, as well as senior individuals across the Group and Non-Executive Directors, and appropriately advises the Board on governance matters.

Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that its procedures are complied with and to assist in arranging any additional information as required. The appointment and removal of the Company Secretary is a matter reserved for the Board as a whole.

Directors are entitled to obtain independent professional advice at the Company’s expense, on the performance of their duties as Directors. All Committees are serviced by the Company Secretary’s team and are appropriately resourced.

Section 172 duties, including link to purpose, values and culture

Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the:

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

As a purpose-driven organisation, this also drives our approach to values and culture to help deliver on our strategy. Board and Committee meeting attendees are reminded of these duties at the start of each meeting, including considering the long-term impact of decisions, whilst aiming to uphold the highest standards of governance.

The issues, factors and stakeholders that the Board considers relevant to complying with Section 172 are set out in the Section 172 statement.

Engagement with shareholders and constructive use of our AGM

As a listed plc, engagement with shareholders is given a high priority as part of a comprehensive Investor Relations programme. The Company produces Annual and Interim Reports for shareholders and the Company’s website contains up-to-date information on the Group’s activities, investor presentations and published financial results.

There are regular meetings with institutional shareholders and analysts following key trading updates and throughout the year on an ad hoc basis, whilst ensuring that price sensitive information is released consistently and at the same time to all, in accordance with best practice market rules.

There is also dialogue on specific issues, which this year included the application of the remuneration policy and general governance matters. In between trading updates, there is continued dialogue with the investor community by meeting key investor representatives, holding investor roadshows and participating in conferences. Investor sentiment is regularly relayed to the Board, whilst meetings between management and debt providers, principally the Company’s banks, also take place periodically.

The Chair, Senior Independent Director and other Non-Executive Directors are available to discuss governance, strategy or other issues, or should there be matters of concern that have not been, or cannot be, addressed through the Executive Directors. During the year, both the Chair and Senior Independent Director were available to shareholders, with the Chair and Company Secretary offering separate investor meetings to discuss governance matters ahead of the AGM.

Views of analysts, brokers and institutional investors are sought on a non-attributed basis via periodic sentiment surveys and these, as well as regular analyst and broker publications, are circulated to all Directors to ensure that they develop a full understanding of the views of shareholders.



Any issues or concerns are raised and discussed by the Board, and Directors routinely receive regular reports on share price, trading activity and sector updates.

The Board views the AGM as an opportunity to communicate with private and institutional investors alike and welcomes active participation. The Company proposes a separate resolution on each substantially separate issue and the proxy appointment forms for each resolution provide shareholders with the option to direct their proxy to vote either for or against any resolution or to withhold their vote.

The Company’s registrars ensure that all valid proxy appointments received for the AGM are properly recorded and counted and a schedule of proxy votes cast is made available to shareholders attending the meeting. There is also full disclosure of the voting outcome via the London Stock Exchange and on the Company’s website as soon as practicable after the AGM.

All Board members attended the AGM and the Chairs of the Audit & Risk, Nomination and Remuneration Committees are available to answer questions. The Notice of AGM is posted at least 20 working days prior to the date of the meeting and the Company’s website contains copies of all Notices issued.



The composition and performance of the Board and each Committee is evaluated at least annually to ensure the appropriate balance of skills, expected time commitment, knowledge and experience.

To ensure the continuing success of the Group in setting strategy, making decisions and addressing principal risks, key stakeholders are considered as part of the business model and value chain. The Board’s annual programme, reviewed each year, is designed to ensure the voice of each stakeholder group is heard, either directly, (e.g. by inviting customers to meet Board Directors) or indirectly, (e.g. through independent surveys or management reports). The Board oversees and challenges the executive on stakeholder engagement and its influence on strategy by including appropriate direct or independent assessments, (e.g. investor or client/customer survey feedback), it also ensures appropriate stakeholder management processes are in place (e.g. by facilitating escalation procedures and complaints/grievance mechanisms (such as whistleblowing) which are also appropriately reviewed or audited, as needed.

Engagement with employees and stakeholder influence in decision making

The Board is committed to engaging with employees to better understand the Company’s culture, challenges and issues. On a rolling cycle, the Board engages with employees from one region ahead of a Board meeting, without Executive Directors present. These meetings are designed to coordinate with Board reviews for the relevant region, to enable a holistic understanding of the experience of our people in the workplace, in addition to the strategic and operational perspective of regional management. Across the year, the Board has therefore met collectively with employee groups from a number of our key markets, including Japan, Germany, the Netherlands, the UK, Spain and the US.

Denise Collis was appointed in December 2018 as the designated NED responsible for employee engagement, to gather views from employees and ensure that these are brought into the boardroom. In carrying out this role, Denise has met with a diverse range of employees, at all levels of seniority, whilst also engaging with Group and local HR teams. See the separate ‘Employee engagement’ section for details on Denise’s engagement with employees across the SThree Group during the course of 2023/2024.

Employee engagement

Employee engagement

A strong commitment to employee engagement is now deeply embedded in the fabric of how we run the business. Although I am the Non-Executive Director (NED) responsible for bringing the voice of our people into the boardroom, the collective involvement of the Board as a whole has been a consistent thread throughout the course of the year.



Keeping close to our people, amplifying their voice, demonstrably listening and, most importantly of all, acting on their suggestions and concerns, has never been more important. We are moving at pace and we want no one to be left behind.

Denise Collis
Senior Independent Non-Executive Director

Over the past twelve months, I have held three focus groups: one in Glasgow, one in Amsterdam and one in London. I have also had many more informal catch-ups, whether that be through my involvement in Identify, our advancement of women programme, or via office visits.

This has been a challenging time for our people as they have worked tirelessly in challenging market conditions. We are also in the midst of an ambitious change agenda as we accelerate the roll-out of the Technology Improvement Programme (TIP). At every level of the organisation, how we organise ourselves and how we work is rapidly evolving and there will not be a single person whose employee experience has not been touched by this. It is an exciting time, but also a tough ask.

Building upon the approach taken in recent years, I have attempted to achieve a mix of sessions, ranging from those that were more general in content to those that looked to home in on a particular area of focus. Last year I was keen to hear from those who had been at the vanguard of the roll-out of our TIP. At that stage, we had launched in only one office, Houston, Texas. Hearing directly from both local employees and those in the central technology team enabled us to gather rich, insightful input. As a consequence, business leaders were able to make speedy and focused interventions. Of course, abundant feedback was already being shared, but my involvement as a neutral, impartial observer, operating one step back, allowed for a different perspective.

In February this year, I met with members of the Glasgow Core Functions team, many of whom were involved with the TIP. This highlighted a theme which has been prevalent throughout the year, namely the challenges of balancing transformation work with business as usual. In Amsterdam, I had the opportunity to meet with participants who were immersed in the planning phase before the forthcoming roll-out of TIP in September. Overall, there was a feeling of momentum within the business and connectivity across it.

In October, most senior leaders across SThree gathered for our annual leadership conference. This provided a great opportunity for me to meet with a broad cross section of people and cover important topics. These included the roll-out and adoption of our new Values and our investment in leadership development programmes. We also considered the impact of the challenging trading conditions, productivity improvements and the importance of collaboration. One cultural challenge was how we keep the balance between nurturing the SThree entrepreneurial spirit whilst realising the benefits of everyone pulling in the same direction.

There are a number of features of our approach to employee engagement that have proved highly successful and we have repeated these this year. We continued to provide dedicated time at Board meetings to discuss my findings and then consider recommendations and next steps. We have also reviewed employee survey results, which has allowed for deeper analysis and more targeted actions. As in previous years, there has been a strong correlation between the two sources of input. This reinforces our view that our people feel free to express themselves, whether providing direct or anonymous feedback.

Last year, we decided to invite two focus group participants to observe the employee engagement session at the November Board meeting. The intention was to bring even greater openness and transparency, and for these individuals to see for themselves the seriousness with which the Board received the key messages. Despite the intention for 'observation', it didn't take very long for this to transition into 'participation'. It was a measure of our culture that all in the room were able to engage and contribute in such a professional, constructive but also informal manner. The session this year followed the same blueprint and we have invited those present to share their experience in this report.

Employee engagement continued

As referenced above, employee engagement continues to be a whole Board activity. My fellow NEDs have continued to join my sessions and I have been delighted to have the fresh perspective and informed contribution of Sanjeevan Bala who joined the Board this year and holds the NED engagement role at Bakkavor Group plc. During each Board meeting we hold a videoconference session with senior managers from the geographic area that we are due to discuss in depth, without the leader being present. This has provided us with another lens into the location and has enhanced the subsequent geographic review.

We place great store on accountability and over the next two pages (112 to 113) we set out our rolling Action Plan that reports back on the feedback we have received and the action that we have either taken or are planning to take.

This is a living document, frequently referred to throughout the year, that helps us to assess the progress we have made and plan next steps.

I continue to be impressed by the openness, honesty and constructive tone of our people. They are fearless in expressing their views, whether encouragement and endorsement, or critique or concern, and their passion for the business continues to shine through.

Next year, I will be retiring from the Board having served nine years so this will be my last report to shareholders. It has been an honour and pleasure to have held the role of Employee Engagement NED and to have had the chance to get to know and build relationships with so many truly remarkable people.

Denise Collis

Senior Independent Non-Executive Director
27 January 2025



I was impressed during the focus group session with how Denise put her finger on the important and urgent topics. It was also great for me to understand how other people reflected on the changes and issues in the business. I felt very much part of the Board engagement discussion and it struck me how the Directors knew where to place emphasis and what questions to ask. They really tried to uncover and understand how to improve employee engagement.

Steven
Marketing



When a point was made in the focus group, Denise would probe to gain more insight but without judgement. It felt like an easy and open environment. I could then see my specific feedback written in the Board report which gave me confidence it would be acted upon. It was really interesting to be part of the Board discussion and know that within all the pressing matters they had to review, the voice of the employee was prioritised and of genuine interest.

Faith
Sales



Employee engagement continued

FY23/FY24 feedback	Action taken during FY24 or planned for FY25
Further develop internal communications and audience segmentation.	<p>Having run the internal communication survey in the first quarter of the year, we have continued to build on its feedback.</p> <p>After successfully onboarded our new digital tool, the Poppulo Harmony Platform, we can now segment and target audiences with relevant communications more easily. A greatly improved measurement dashboard gives us far better insights into effectiveness.</p> <p>To best understand how we can support employees in achieving their goals through communication, we first listen to them. Focus groups are being held across our regions and the internal communication survey will return in FY25.</p>
Support leaders with tools and materials to cascade communications in a timely, structured and consistent way.	<p>We want to enable our leaders to be effective communicators. From January 2025 we will build on the strong foundations already in place by introducing targeted leadership calls for our sales and core function populations. We will also be working with leaders to understand the current blockers to communication, helping them to overcome these to ensure that the relevant messaging reaches everyone in the organisation.</p>
Deepen understanding and connection to our Purpose.	<p>Clear articulation of our Group priorities drives engagement. So, at the start of all regional townhalls, our CEO leads from the front, reiterating our strategy.</p> <p>We continue to embed our Game-Changer vision across the Company achieving high levels of resonance with employees. Our culture is evolving as we roll out our new Values and show how they align with our strategic ambitions. We shall integrate Values into performance assessments over the coming months and build alignment across functions that have shared objectives.</p>
Bring the new Company Values to life through storytelling and communications, e.g. showcasing success stories of building partnerships.	<p>We have woven our new Values into global and regional communications, from Executive communications and Top 100 leader calls to newsletters and intranet stories. Our aim is that we learn from each other. We therefore showcase our Values through case studies of our people and share examples or how our employees live by the Values every day.</p>
Increase the training and guidance for managers to help their people cope with ongoing change arising from the Technology Improvement Programme.	<p>The change management programme we have established includes communications, training and support to ensure successful adoption and embedding of the Technology Improvement Programme (TIP) so that our people engage with it and the full benefits are realised. A change network involves everyone, at all levels throughout the business. Communication channels include leadership updates, all-colleague townhalls, dedicated briefing documents and regional, as well as local, engagement. We also have a dedicated Transformation Hub which contains a wealth of information and material related to both our programme and TIP solutions. Our new AI-driven application, ‘AskSThree’, provides instant answers to specific questions.</p> <p>The TIP has an agile delivery approach, with ongoing enhancements. The addition of these features is prioritised based on insights, feedback and business value. The initial version deployed in the US in FY23 has been significantly enhanced since then and we have a consolidated roadmap to continue improving the platform as we complete our global roll-out through FY25.</p>
Continue to invest in leadership development, leadership communities and networks.	<p>We will continue to invest in our leadership population, building capability to get the best out of our workforce. We have three programmes running with two key partners: Deloitte and the University of St. Gallen School of Management. Deloitte develops high-performing team skills in our Executive Committee to match our organisational ambitions so we become gamechangers in STEM. Deloitte also works with our talent pipeline programme, developing transformational leadership amongst our most senior 100 people. The St. Gallen programme, also for our Top 100 talent pipeline, focuses on strategic sales capability.</p>

FY23/FY24 feedback	Action taken during FY24 or planned for FY25
Improve onboarding and new starter understanding of the business and roles.	<p>We have redesigned and piloted our sales onboarding programme to set new recruiters up for success, and techniques now include AI role play learning. Sales onboarding will be rolled out during FY25.</p> <p>A core functions onboarding programme and improved new starter experience is being scoped out to provide joiners with a better understanding of the business.</p>
Support core function personal development and career growth.	<p>The Global Grade framework will be relaunched across the business with enhancements following the third anniversary of the initial roll-out. The business will be presented with clear descriptions of the competencies and skills required at each grade across job families. This relaunched framework will support career development and rewards in a more robust and understandable way.</p> <p>Personal Development Planning and Career Conversation training is being rolled out into FY25 with learning modules for managers and team members.</p>
There is an opportunity with the roll-out of the new sales performance management process to help managers develop their skills in coaching underperformers and conducting difficult conversations.	<p>The new sales performance management process, which is aligned to the new behavioural framework, will be rolled out in FY25 and supported by skills training, HR Business Partner training and learning toolkits. We will start with bootcamp sessions for senior directors. These will focus on the performance management process, coaching skills and how to hold conversations about target setting, giving feedback and handling difficult topics. This content will then be rolled out by the Senior Directors and Learning & Development (L&D) teams to sales managers during the first half of FY25.</p>
Develop a wellbeing offering with emphasis on mental health.	<p>We shall enhance our wellbeing offering, in line with our Thrive pillars, focusing on achieving good financial, mental and physical health for all our people. A clear communication plan will be developed to ensure wellbeing is promoted effectively and in a timely fashion using all forms of internal resources and communication, including townhalls and City Heads, in order to increase engagement.</p> <p>We shall combine short- and long-term support with preventative approaches to help our colleagues thrive at work. That will involve utilising the Global Benefits Network to continuously review wellbeing priorities to ensure alignment to SThree core Values. Resources and support from current external providers will be made available via the Reward Gateway Platform and local country equivalents.</p>
Continue to strive for a diverse and inclusive culture.	<p>We completed our third cohort of Identify, our talent accelerator programme for women with the potential to progress to leadership roles. 72 women have now completed the programme.</p> <p>We also launched an internal women’s network which hosts quarterly events to raise awareness and build knowledge surrounding relevant career topics.</p> <p>Regional Identify alumni action plans are in place to share programme learnings more broadly with other women in the business.</p> <p>We shall continue to embed our diversity data collection initiative in the UK and US to ensure we have ethnicity data to deliver evidence-based actions in FY25.</p>
Improve the office environment, enabling better collaboration whilst supporting hybrid working.	<p>Our future office property redesign programme is investing in our office spaces to deliver environmental improvements and support hybrid working. During FY24 we delivered a variety of projects across our global portfolio. Each time, major priorities were encouraging collaboration and facilitating hybrid working.</p> <p>In FY25, we will review our strategy and workspace design guidance, considering ESG and DE&I along with other strategic priorities. We will also listen to what our people tell us about their workspace preferences in order to deliver places that inspire teams to be their best selves and deliver their best work.</p>

Nomination Committee

Committee meetings held

3

James Bilefield (Chair)	3/3
Denise Collis	3/3
Elaine O'Donnell	3/3
Imogen Joss	3/3
Sanjeevan Bala	1/1
Barrie Brien	1/2

The Committee complies with the requirement to have a majority of independent Non-Executive Directors.

Further reading: Full biographies are available on pages 96 to 97.



SThree’s purpose is to bring skilled people together to build the future. That future-focus and long-term thinking also applies to how our Nomination Committee keeps our Board’s composition under review and ensures we have robust succession plans in place.

James Bilefield
Nomination Committee Chair

Dear Shareholder

I am pleased to present to you the Nomination Committee report. The report provides underlying detail on the Committee and its activities during the year, in compliance with the UK Corporate Governance Code (the Code).

SThree’s purpose is to bring skilled people together to build the future. That future-focus and long-term thinking also applies to how our Nomination Committee keeps our Board’s composition under review and ensures we have robust succession plans in place, to safeguard the delivery of our strategy and ensure the long-term success of the Company.

Since my last report there have been two changes to the Board composition. As reported last year, Barrie Brien, who had served on the Board since September 2017, retired and did not seek reelection at our Annual General Meeting in April 2024, allowing him to focus on his other professional commitments.

Immediately following the AGM we welcomed Sanjeevan Bala as a new Non-Executive Director. Sanjeevan has extensive experience driving customer-centric technology transformation and is already making a valued contribution. With Sanjeevan’s appointment I am pleased to confirm that we now meet the target under the UK Listing Rules and Parker Review that the Board have at least one member from a minority ethnic background.

As previously announced, Denise Collis, who was first elected to the Board in 2016, will be standing down as our Senior Independent Non-Executive Director, Chair of our Remuneration Committee and Employee Engagement Director at the end of June 2025. I am immensely grateful to Denise for her significant contribution and dedication since her appointment. In addition to discharging her responsibilities as Senior Independent Director and Remuneration Committee Chair, Denise embraced the role of being our first Employee Engagement NED, and has been a champion and mentor for many of our colleagues in the business.

As part of the continuous refreshing of the Board we have commenced a search for a new independent Non-Executive Director.

Summary of Terms of Reference
The Committee’s Terms of Reference are, broadly, to regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, make recommendations with regard to any changes and to review and prepare relevant job descriptions for new appointees, as well as ensuring the continuing development of, and adequate pipeline into, the Executive Committee for succession and bench strength purposes.

- Summary of core Committee activities carried out since last report:**
- Oversaw the Board and senior management succession plans.
 - Oversaw the composition and effectiveness of the Board and Committees, with diversity a key criteria.
 - Oversaw the search, and recommendation of appointment of a new Non-Executive Director.
 - Reviewed and recommended gender and ethnicity targets for senior leadership to the Board.
 - Commenced the search for a new independent Non-Executive Director.

Nomination Committee continued

Selection and Induction of Sanjeevan Bala

Sanjeevan Bala was recruited in 2024, joining the Board after the AGM held on 25 April 2024.

As part of the Committee’s succession planning, the Chair led the search for a new Non-Executive Director to replace Barry Brien with the Senior Independent Director. The search process was supported by Russell Reynolds, an independent executive search consultant which has no connection with the Company other than facilitating in the search for senior management.

Upon appointment to the Board, each Director engages in a comprehensive induction programme which is tailored to their individual needs. Sanjeevan’s programme included:

- initial meetings with fellow Directors for discussion of key matters;
- meetings with Executive Committee members with responsibilities for key regions and countries;
- meetings with the Chief Legal Officer and Company Secretary covering an overview of legal framework applicable to directors of UK-listed companies, and an overview of Risks and processes around identification and reporting;
- meetings with the Head of Business Integrity and DPO, various senior representatives of our commercial and technology teams and the Global Director of Risk and Insurance; and
- attending our London senior leadership conference.

In addition, key strategic, financial and governance documents were provided to Sanjeevan in an electronic reading room.

Succession planning and diversity

The Committee periodically reviews Board composition to ensure that the Code provisions regarding diversity, over-boarding, Chair tenure and Remuneration Committee Chair experience are all complied with. In November 2024, the Committee considered Board membership and the need to continually refresh the composition of the Board on a gradual basis, taking into account the length of service of current Board members.

All Directors are subject to annual re-election, although Non-Executive Directors are typically expected to serve for an initial term of three years, which, in normal circumstances and subject to satisfactory performance/re-election at each AGM, is automatically extended annually. Non-Executive Directors will normally serve no longer than nine years, subject to review as part of the AGM re-election process and their agreement. The Company’s Articles of Association also contain provisions regarding the removal, appointment and election/re-election of Directors.

In our 2021 Report, we confirmed that the Committee had agreed plans to achieve a Board, by 2024, with a minimum of 40% female representation and at least one individual from a non-white minority ethnic background. Last year we confirmed that we met the FCA’s Board Diversity target to have in excess of 40% female representation on the Board and that Denise Collis, who is our Senior Independent Director, was considered to hold a senior Board position. This year I am pleased to report we have met the FCA’s target of having at least one Director from a non-white minority ethnic background.

The Board acknowledges the importance of diversity in its broadest sense in the boardroom. In April 2024, a formal Board Diversity Policy was approved which applies to the Board and its Committees. The Policy aims to promote a diverse and inclusive membership on the Board and outlines objectives supportive of the FCA Listing Rules, FTSE Women Leaders Review and Parker Review. In filling any vacancy, consideration will be given to the combination of demographics,

experience, skills, race, age, gender, education and professional background and other personal objectives needed to support good decision making. The Policy is reviewed annually as part of the review of the Governance Framework to make sure it remains fit for purpose.

The Board is aware of the Parker Review objective for FTSE350 companies to set a target for ethnic minority representation at UK based senior management level. SThree is committed to achieving a target of 18% of UK senior management roles being held by individuals from an ethnic minority by 2027.

The Board continues to monitor management’s efforts to achieve its short-term target of 40% of women in leadership. The Group has a global Diversity, Equity and Inclusion policy which applies to everyone who works at SThree, whether on a permanent or temporary basis, in any of our businesses worldwide, which was viewed and refreshed before approval by the Nomination Committee in November 2024.

Board and executive management gender and ethnicity metrics

The following metrics set out the range of gender and ethnicity as they relate to our Board and executive management as at 30 November 2024. Executive Management is considered to be our Executive Committee, which includes our Chief Executive and Chief Financial Officer. The process by which diversity data was collected was, where permitted by relevant laws, to contact relevant individuals and ask them how they identified using the categorisations set out in the Listing Rules. Where we already held gender or ethnicity data for executives, with consents in place to use it for reporting on an anonymous basis, we used that data.

The data is used for statistical reporting purposes and is provided with consent. The data in the tables below is as at 30 November 2024 and there have been no changes in the period between then and the date of this report.

Further information on gender balance of those in senior management and their direct reports can be found on page 36.

Board and executive management gender

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	57%	3	7	70%
Women	3	43%	1	3	30%
Not specified/prefer not to say	–	–	–	–	–

Board and executive management ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	6	85.71%	4	10	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	14.29%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic groups, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Commitment

For Board vacancies, the Nomination Committee approves a detailed job specification, which sets out the indicative time commitment expected. Potential Director candidates are required to disclose any significant outside commitments prior to appointment and must undertake that they have sufficient time to meet these, in addition to Company business.

Upon joining, each Director receives a formal appointment letter which identifies their responsibilities and expected minimum time commitment, which is typically two to three days a month. These letters are available for inspection at the Company’s registered office, or by contacting cosec@sthree.com.

Development

At scheduled Board and Committee meetings, Directors receive detailed reports from management on the performance of the Group or specific areas of focus and responsibility. Non-Executive Directors may visit the Group’s sales offices or other locations in order to join staff members and other stakeholders from different geographic areas to discuss current initiatives.

Directors are aware of their responsibilities and are briefed on relevant regulatory, legal, governance or accounting matters periodically, as required. Directors also attend external seminars on areas of relevance to their role in order to facilitate their professional development, whilst Non-Executive Directors also use external insights from their own development networks to support the management team. These measures help to ensure that the Board continues to develop its knowledge of the Group’s business and get to know senior management, as well as promoting awareness of responsibilities. Executive Directors are encouraged to accept external appointments in order to broaden their experience, although currently no such positions are held.

Induction arrangements are tailored for new appointments to ensure that these are appropriate to each role, depending on previous experience. Details of the induction of Sanjeevan Bala are set out on page 116.

Directors and other Senior Executives are invited to attend analyst briefings and our Investor Briefing Series of presentations.

As part of the annual Board evaluation process, the Chair assesses any training and development needs in respect of individual Directors.

James Bilefield
Chair
27 January 2025

Board evaluation

Each year, the Board reviews performance and effectiveness, including that of its committees and individual Directors, to identify areas for improvement and ensure it is well placed to provide constructive challenge.

For the two years prior to this reporting period, we have carried out internal reviews of the Board’s effectiveness, facilitated by the Company Secretary and Chair and, in relation to the Chair’s performance, by the Senior Independent Director. This year, we again commissioned Elaine Sullivan of Manchester Square Partners (MSP), an independent consultant, to carry out an externally facilitated review of Board effectiveness. This was the second review by MSP, which carried out their first review of SThree in 2021. Other than carrying out this evaluation, MSP has no other connection with SThree.

Once again, the Chair provided a comprehensive brief to MSP and the review was undertaken during the latter half of 2024. MSP had access to Board and Committee papers and observed the September Board meeting. Individual interviews were conducted with all seven Board Directors and with the Chief Legal Officer and Company Secretary.

MSP prepared a report based on their observations and the information compiled from their discussions. Following discussions with the Chair, Elaine Sullivan presented the report to the Board in October.

The report covered a number of areas, including:

- Strategy Development and Review, and Strategic Priorities.
 - Operational Challenges, Perceived Risks and Risk Management.
 - Relationship with Stakeholders.
- Finance and Key Performance Indicators:
- Talent Management, Leadership Development and Succession Planning.
 - Culture, Values and Purpose.
 - Board Role, Modus Operandi and Dynamics.
 - Board Value Add.
 - Board Composition, Succession and Engagement.
 - Board Committees.

We were pleased MSP felt the Board was functioning well and found governance to be strong. The report observed that the Board was highly professional and effective, with good levels of commitment to the success of the business and its people, with an open, honest and collaborative dynamic and appropriately challenging.

There was clarity and alignment on the role of the Board over the coming years, providing challenge, support and guidance for executives and there was a shared understanding of the immediate strategic priorities. The decision-making processes work well and Board processes are effective, efficient and thorough. The Board Committees also worked well. Based on MSP’s review, the Board agreed a number of areas for focus and action which will further support our continuous development.

Themes of the 2024 Review included:

- Ensuring the Board adequately hears the voice of the customer.
- Ensuring a clear Board succession plan is in place to meet the needs of the Company.
- Balancing oversight of current commitment with ensuring adequate time is spent on longer-term strategic areas.
- Monitoring, tracking and assessing progress on People and Culture.

Actions arising from 2022/2023 review	Progress and insight
Continued monitoring of the Company’s TIP as it is rolled out.	Updates continue to be presented at each Board meeting as the programme is rolled out.
Enhanced focus on productivity and performance management to help deliver growth.	Placements per head and other key metrics presented to Board. Roll out of Attitude/Input/Result performance management to sales staff.
Reviewing and monitoring the approach to talent and succession planning.	Regular updates to the Board.

Audit & Risk Committee

Committee meetings held

4

Elaine O'Donnell (Chair)	4/4
Sanjeevan Bala	3/3
Barrie Brien	1/1
Denise Collis	4/4
Imogen Joss	4/4

Further reading: Full biographies are available on pages 96 to 97.

Audit & Risk Committee continued

Dear Shareholder

As Chair of the Audit & Risk Committee, I am pleased to present, on behalf of the Board, its Audit & Risk Committee report, prepared in accordance with the UK Corporate Governance Code (the Code). This Report explains the Committee’s responsibilities and how it has delivered on these.

The Audit & Risk Committee assists the Board in carrying out its oversight responsibilities regarding the Company’s financial and corporate reporting, risk management and internal controls and in overseeing the relationship with the external independent auditor. This report sets out how the Committee has discharged its responsibilities during the year and, in relation to the financial statements, the significant issues it considered and how they were addressed.

Significant focus is placed on key accounting judgements and estimates, which underpin the financial statements, namely:

- 1. Revenue recognition.
- 2. Provisions for impairment for trade receivables and contract assets, otherwise referred to as ‘allowance for expected credit losses’.
- 3. The impairment of investment in subsidiaries.
- 4. Accounting and disclosure of Interim and Final Dividend payments.
- 5. Adopting the going concern basis of preparation of the financial statements.

All of these were fully considered by the Committee in light of the latest FRC guidance.

Having reviewed the content of the Annual Report and Accounts, the Committee considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s and the Group’s performance, business model and strategy. In reaching this conclusion the Committee considered the processes and controls in place, including liaising as necessary with external advisers and Committee Chairs.

Committee composition and experience

The Committee consists of Elaine O’Donnell (Chair), Denise Collis, Imogen Joss and Sanjeevan Bala. Barrie Brien retired from the Committee on 25 April 2024. Sanjeevan Bala was appointed as a Director of the Company on 25 April 2024 and joined the Committee on the same day.

The Board is satisfied that as Chair, I have extensive, recent and relevant financial experience and that the Committee, taken as a whole, is considered to have appropriate sector knowledge in addition to broad Board experience.

James Bilefield continues to attend meetings by invitation, as does the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer & Company Secretary, the external auditors, Director of Group Risk, Insurance and Health & Safety, Head of Internal Audit and certain Finance function heads.

The Committee’s principal responsibilities

- To monitor the integrity of the Consolidated Financial Statements of the Group and any announcements relating to financial performance.
- To review significant financial reporting issues and judgements.
- As requested by the Board, to advise whether, taken as a whole, the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group’s performance, business model and strategy.
- To review the Group’s internal financial controls, internal control and risk management systems and reporting, including supporting the Board in overseeing risk management activity, advising on risk appetite and assessing material breaches of risk controls.
- To monitor and review the effectiveness of the Group’s Internal Audit function.
- To agree the external auditors’ engagement terms, scope, fees and non-audit services, to monitor and review the external auditors’ effectiveness and associated independence and recommend re-appointment to the Board and shareholders.
- To review arrangements by which the Group’s employees may raise concerns about possible improprieties in financial reporting or other such matters and ensuring appropriate follow-up.
- To monitor and review the activities and priorities of the Group’s Risk function and the Risk Committee.
- To assess procedures for detecting fraud and preventing bribery.
- Where requested by the Board, to advise on proposed strategic transactions, including conducting due diligence appraisals and focusing on risk aspects.

Summary of core Committee activities carried out during the year:

- Approved the annual Committee programme/cycle of work.
- Reviewed and recommended to the Board the full and half-year financial results for publication.
- Approved the external audit plan and reviewed the audit results.
- Reviewed the on-boarding, performance, independence and effectiveness of the external auditors.
- Reviewed any non-audit services provided by the external auditors.
- Reviewed the risk management and controls framework and its effectiveness through oversight and reporting from the Group Risk Committee and Director of Risk, including on control effectiveness of operational risks across global operations teams, and considered the implications of the FRC’s 2024 UK Corporate Governance Code (2024 Code).
- Considered the Code requirements concerning fair, balanced and understandable reporting.
- Reviewed the Company’s going concern and long-term viability statements, including the impact of climate change on the business.
- Reviewed and discussed the Group’s position in relation to cyber-risk.
- Considered the risks of generative AI technologies.
- Reviewed the output of Group Risk Committee meetings.
- Conducted an annual review of progress against the business integrity areas forming part of SThree’s compliance programme and reporting on investigations conducted in the course of the year.
- Considered new legislation and governance developments relevant to the role of the Committee.
- Recommended the Audit & Risk Committee report for approval by the Board.

- Held discussions with the external auditors and Head of Internal Audit without management present.
- Approved the Internal Audit Charter, the Internal Audit plan and reviewed all reports/findings.
- Reviewed the effectiveness of the Internal Audit function and considered the External Quality Assessment of the Internal Audit function.

In July 2024, we were notified that our FY23 Annual Report and Accounts had been subject to a routine review by the Financial Reporting Council’s (FRC) Corporate Reporting Review team.

The FRC sought clarification on the recognition and disclosure of the FY22 interim dividend £6.4 million, which was declared in July 2022 but only paid to shareholders at the start of the subsequent financial year (8 December 2022). The response by the Company to the request for information was discussed with me in my capacity as Chair of the Audit and Risk Committee and with the Company’s previous auditors, PwC, and current auditors, EY, prior to responding to the FRC. Additionally, details of the query raised, and subsequent correspondence with the FRC and the Company’s responses were also considered by the Committee. As noted on pages 173 to 174 of this annual report, this review resulted in the correction of the prior year presentation of amounts relating to this dividend in the Group’s Consolidated Statement of Cash Flows. The FRC has closed its enquiries. Additionally, the Company has agreed to enhance disclosures in a small number of areas in response to the review. The Committee is satisfied that the proposed enhancements have been appropriately incorporated in this annual report.

We recognise that the FRC’s review was based on the Group’s Annual Report and Accounts for the year ended 30 November 2023 and did not benefit from detailed knowledge of the Company’s business or an understanding of the underlying transactions entered into. The FRC’s role is not to verify the information provided, but to consider compliance with

reporting requirements. Therefore, given the scope and inherent limitations of their review, it would not be appropriate for the Company or any third party, including but not limited to investors and shareholders, to infer any assurance from the FRC’s review that SThree Group FY23 Annual Report and Accounts was correct in all material respects.

The FRC’s ‘Audit Committee and the External Audit: Minimum Standard’ was published in May 2023. The Committee considers that it has met the requirements of the Standard.

Significant issues, judgements and estimates relating to the financial statements

The significant issues, judgements and estimates considered by the Committee for the year ended 30 November 2024 are set out in the following table. The Committee discussed these matters with management and found the accounting treatment and presentation thereof complete and accurate.

In addition, the Committee and the external auditor discussed the significant issues addressed by the Committee at the audit planning stage and on completion of the audit. Further details can be found in the independent auditors’ report on pages 160 to 162.

Audit & Risk Committee continued

Matter considered	Audit Committee action
Revenue recognition Significant estimation is required in determining a portion of the Group revenue recognised in exchange for provided service for which no timesheets have been received on or before the reporting date. The key estimation uncertainty arises from determining the historical shrinkage rate in relation to Contract assets at the reporting date.	<ul style="list-style-type: none">– Reviewed the key assumptions applied by management in the calculation of the shrinkage rate in relation to Contract assets at the reporting date.– Reviewed how management considered current Group’s trading performance versus prior years, in particular the Group’s growing strategic focus on Contract business.– Satisfied itself that the assumptions and the changes to those assumptions when compared with the year ended 30 November 2023, were appropriate.
Provisions in respect of recoverability of trade receivables and contract assets, otherwise referred to as ‘allowance for expected credit losses/(ECLs)’ The allowance for ECLs is determined in a four-step process. First, the individual accounts receivable exposures are grouped based on credit risk specific to each group, e.g. geographical location or solvency status. In the second and third step, management determines the historical collection pattern and loss rates for each group of exposures. In the final fourth step, forward-looking factors are considered to determine impact of possible market developments on the collection pattern of open exposures, and, where appropriate, the loss rates are adjusted. The sum of loss rates multiplied by the outstanding exposures build the total amount of the ECL.	<ul style="list-style-type: none">– Reviewed the revised methodology of determining the loss rates which drive the value of the ECLs.– Reviewed data sources used by management to identify and evaluate clients with high risk of credit losses. In particular, critically reviewed the use of, and its ongoing appropriateness to SThree, the Dunn & Bradstreet credit tool to identify clients with a ‘severe’ or ‘high-risk’ rating.– Discussed with management and evaluated the depth of the credit team’s knowledge of payment behaviours and severity of the operational challenges in collecting cash, both highly relevant when determining loss rates and forward-looking factors, the two most critical elements of an allowance for ECLs.– Evaluated management’s reports on ongoing challenging macro-economic environment, current frequency of insolvencies across the portfolio, and current pattern of cash collections in FY24.– The Committee has considered the judgements applied by management and the output of the subsequent audit work.– After thorough discussions with management and the auditors, the Committee satisfied itself that the revised method of the ECL calculations is aligned with the IFRS 9 ECL principles.
Impairment of investments in SThree plc’s subsidiaries The Group has operations in several countries across the globe. These operations are subsidiaries of the parent Company, SThree plc. As set out in the accounting policies (note 11 <i>Investments</i>), every year management performs an assessment of whether there are any indicators of impairment of SThree plc’s investments in its subsidiaries.	<ul style="list-style-type: none">– Considered key areas of judgement applied by management in this assessment. In particular, evaluated the use of and its appropriateness to this assessment, the Group’s medium-term forecasts at the Operating Unit Profit level developed for all SThree’s trading operations.– Critically evaluated the application of Operating Unit Profit as a key financial metric when assessing the financial health and prospects of each trading subsidiary which was subject to this assessment.– Received an update on the current trends in the macro-economic environment within which key trading subsidiaries operate.– Received and reviewed the revised trading forecasts, which were significantly reduced when compared with the prior year, and which triggered a more detailed impairment assessment; the investments recoverable amounts were re-estimated, being the higher of an investment’s ‘fair value, less costs of disposal’ and ‘value in use’.– Agreed to the partial write-off of the UK investment, which resulted in the impairment charge of £46.5 million recognised in the Company’s accounts (see note 11 <i>Investments</i>).– Agreed to the overall conclusion of no impairment for all non-UK investments, which benefitted from significant headroom in their recoverable amounts that accumulated in prior years, and absorbed a negative impact of the reduced trading forecasts.– Agreed to the write-off of one small, no longer significant investment, in East Asia due to discontinued operations. The £0.2 million charge impacted the financial results of a holding company, one level below SThree plc.
Adopting the going concern basis of preparation of the financial statements	<ul style="list-style-type: none">– Reviewed and, where relevant, challenged the assumptions applied by management in the forecast models which underpin the going concern and viability statements.– Reviewed the appropriateness and relevance of the severe but plausible stress tests to ensure that the Group has adequate liquidity and is compliant with the bank covenants throughout the relevant periods.– Reviewed the management’s work in conducting a robust assessment of the risks facing the Group, their potential impact, how they were being managed.– Agreed with management that it is appropriate that the Group continues to apply the going concern basis for the preparation of the financial statements and recommended to the Board to approve the viability statement.

The above significant issues and judgements relating to the financial statements are also set out in note 1 *Basis of preparation and consolidation* on page 175.

External auditors
Responsibilities in relation to external auditors

The Committee places great importance on the quality, effectiveness and independence of the external audit. As reported last year, EY was recommended for appointment as SThree’s statutory auditors following a thorough tender process. The appointment was subsequently ratified by shareholders at the 2024 Annual General Meeting.

During the year, the Committee carried out each of the following:

- Recommended the appointment of EY as external auditors for the financial year ending 30 November 2024, for subsequent ratification of their remuneration and terms of engagement by shareholders.
- Reviewed and monitored the external auditors’ independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.
- Reviewed the policy on the engagement of the external auditors and supply of non-audit services. This policy sets out a ‘whitelist’ of permitted non-audit services, lists examples of prohibited services, sets out typical audit-related services, their award and approval, explains the cap on non-audit services which can be billed, and sets out reporting and independence provisions.

Appointment, objectivity and Independence

The Committee and the external auditors have safeguards in place to ensure that objectivity and independence are maintained. The Committee also considers independence taking into consideration relevant UK professional and regulatory requirements. EY did not provide any non-audit services in the year under review.

Performance and tendering

During the year, the Committee reviewed performance and fees and met with both the outgoing external auditors, PwC, and incoming external auditors, EY without management present. The Committee carried out a further review of the performance of EY after the year end.

EY were appointed as SThree’s external auditors in 2024 following a competitive tender process. Nicola McIntyre is the lead engagement audit partner.

The Committee considers that the Company has complied with the Competition and Markets Authority’s Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

Framework used by the Committee to assess effectiveness of the external audit process

The Committee has adopted a broad framework to review the effectiveness of the Group’s external audit process and audit quality which includes: assessment of the audit partner and team with particular focus on the lead audit engagement partner; planning and scope of the audit, including a dedicated audit planning afternoon, with identification of particular areas of audit risk; the planned approach and execution of the audit; management of an effective audit process; communications by the auditors with the Committee; how the auditors support the work of the Committee; how the audit contributes insights and adds value; a review of independence and objectivity of the audit firm; and the quality of the formal audit report to shareholders.

Feedback is provided to both the external auditors and management by the Committee and its attendees, based on the above, with any actions reviewed by the Committee.

The effectiveness of management in the external audit process is assessed principally in relation to the timely identification and resolution of areas of accounting judgement, the quality and timeliness of papers, analysing those judgements, management’s approach to the support of independent audit and the booking of any audit adjustments arising, as well as the timely provision of documents for review by the auditors and the Committee.

Policy on non-audit work

The Committee sets clear guidelines on non-audit work, which is only permitted where it does not impair independence or objectivity and where the Committee believes that it is in the Group’s best interests to make use of built-up knowledge or experience. Such work has included services required due to legislation and assurance work or other specialist services. The Committee continuously monitors the quality and volume of this work, fees incurred, as well as independent safeguards established, in order to consider whether to use other firms and continues to use such firms to provide general tax advice or for other projects.

The policy aligns with regulations to prohibit a number of non-audit services, whilst also meeting FRC Ethical Standards and FRC guidance, to clearly set out:

- which types of non-audit work are allowed/prohibited;
- the types of work for which external auditors can be engaged without Audit & Risk Committee referral, provided such services fall below £25,000 and are not specifically prohibited; and
- for which types of work Committee Chair referral is needed, i.e. which are above £25,000.

Under the policy, the external auditors are required to seek approval in advance of starting work on any assignment within the Group.

Audit & Risk Committee continued

Fees paid to external auditors for audit and non-audit work

The Committee reviewed the fee structure, resourcing and terms of engagement for the external auditor, EY, who was appointed as the new Group auditor in FY24. The total audit fees for the current year were £1,248,000. For comparison, the amounts paid to the former external auditor, PwC, for the audit services in the past two years were as follows: FY23: £1,128,000, FY22: £925,000.

In FY24, EY did not provide any non-audit services to the Group. In the prior year, total billed non-audit services provided by the former external auditor, PwC, were £14,000, representing just 1% of total audit and non-audit fees.

Further information on the fees payable to the auditors for the audit of SThree plc’s financial statements is set out in note 3 of the Group’s Consolidated Financial Statements on page 180.

Risk management, internal controls, key focus areas and viability

The Committee supports the Board in its overall responsibility for risk management activities and implementing policies to ensure that all risks are evaluated, measured and kept under review by way of appropriate KPIs, as part of the Group’s ERM framework. Information on both risk management activities and associated controls assessments are reported to the Committee through the Group Risk Committee and escalated to the Board where appropriate.

Presentations from both functional and regional senior management across the business are provided to the Board to further develop information, understanding and debate on risks and the relevant controls in place. Specific consideration is also given by both the Committee and the Board to areas such as the Group’s cyber-risk profile and the mitigations in

place and the Group’s data protection risk profile and the data protection programme activities and plans. Activities include monitoring of the effectiveness of the Group’s risk management and internal control systems in order to safeguard shareholders’ investments and the Group’s assets and, at least annually, carrying out a robust assessment of risks and the effectiveness of associated controls. No significant failings or weaknesses were identified from this review.

Significant progress was made in further maturing the Company’s system of internal controls, risk management and policies. Areas were identified that could be strengthened to drive a future-proofed, appropriately resourced and fully compliant system of internal control and corporate governance policies. Management established a process for regular self-assessment style attestation by risk, relating to internal controls over financial reporting and their owners. The Committee works closely with the Chief Financial Officer, Chief Legal Officer & Company Secretary, Director of Risk, Internal Audit team and external auditors to ensure that any potential material misstatement of risks are identified and targeted in terms of the overall audit strategy and that audit resources and the efforts of the engagement team are correctly allocated. This helps to ensure the effective planning and performance of the external and Internal Audit teams, focused on risk, and has resulted in a continued improvement in processes and controls over recent years.

A key focus of the Committee has been considering the enhancements that will be required in respect of our risk and controls framework, risk management reporting and oversight for Group Risk and Internal Controls, to ensure that we can report on the effectiveness of all material controls by FY 2027, in accordance with the requirements of the 2024 UK Corporate Governance Code amendments.

Internal Audit

Internal Audit continues to play an integral role in the Group’s governance and risk management processes and provides independent assurance to the Committee on compliance with its policies and procedures. The function carries out a wide variety of audits including operational as well as ad hoc and project-based reviews and fraud investigation.

The Committee oversees and monitors the work of Internal Audit, which carries out risk-based reviews of key controls and processes throughout the Group on a rolling cycle, including resources, scope and alignment with principal risks and effectiveness of the function. The Head of Internal Audit has direct access to the Committee and meets regularly with both the Committee and its Chair without management present to consider the work programme, which is approved in advance by the Committee.

At the start of each year, an annual Internal Audit plan is presented for the Committee to agree, after appropriate review and challenge. For 2024, the programme was again focused on addressing both financial and overall risk management objectives across the Group, with reviews carried out, findings reported to the Committee, recommendations tracked and their closure monitored.

The reviews undertaken by Internal Audit during the reporting period and throughout the financial year identified that the system of internal controls is partially adequate and/or effective. The Internal Audit team, working with the Group’s risk and compliance function, has continued to enhance the risk management framework and work with managers across the globe to further develop and embed the risk framework and methodology at a local level, whilst also ensuring that the Internal Audit plan is closely aligned to risk.

Senior management are invited to present to the Committee, from time to time, to report back on progress against agreed Internal Audit actions and other risks in their area of responsibility.

The Committee ensures that the Group’s Internal Audit function remains at an appropriate size and skill mix for the business, and firmly believes that this function remains effective and continues to add significant value. The Internal Audit activity partially conforms with the International Standards for the Professional Practice of Internal Auditing. During the year an External Quality Assessment of Internal Audit was undertaken by independent reviewers approved by the Chartered Institute of Internal Auditors. While the assessment was positive overall, noting that the team delivers audit fieldwork of good quality, the function is developing a quality assurance and improvement programme to further enhance the function’s effectiveness.

Group Risk Committee

The Group Risk Committee was created in 2018, with agreed Terms of Reference, and a regular reporting slot at each Audit & Risk Committee meeting. The Terms of Reference were updated in 2024. Under the Governance Framework, Management incorporates discussions on risk in Country and Regional meetings and the half-yearly strategic reviews conducted for each country, so as to ensure that risks are fully incorporated into business activities and decisions and strategic planning.

The output of these discussions is reported back to the Group Risk Committee. The Group Risk Committee meetings consider a range of risks identified, their materiality and the progress of mitigating actions/projects in terms of their successful implementation and their likely effectiveness in reducing

risk in line with Group appetite, on a regular basis, and reports in to both the Executive Committee and the Audit & Risk Committee on these. The Chair of the Committee meets regularly with the Head of Risk without management present.

Fraud and cyber risks

The Committee reviews the procedures for the prevention and detection of fraud in the Group and has also closely monitored improvements to cyber security protection in the light of increasing risks in this area, having particular regard to data breaches that the Group may face and the processes and controls in place to tackle any security threats. This information is flowed through to the Board so that it can consider this as part of its detailed review of the data protection programme and the activities in place to mitigate personal data risks.

Suspected cases of fraud must be reported to senior management and are investigated by IA, with the outcome of any investigation reported to the Committee.

Anti-bribery and corruption, and business ethics

The Group maintains a zero-tolerance approach against corruption. A new anti-bribery and corruption policy and a gifts, hospitality and charitable contributions policy were introduced, which were approved in January 2022 and reviewed annually. Minor updates to this policy were made during 2024 and bespoke mandatory training was rolled out for all employees with a 93% completion rate. A gifts and hospitality register is maintained to ensure transparency.

The Group has also adopted a new Code of Conduct which sets out the standards of behaviour by which all employees are bound. This is based on the Group’s commitment to acting professionally and with integrity.

Speak Up hotline

The Group has in place a Speak Up policy, aligned with best practice and a dedicated independent Speak Up (Whistleblowing) hotline. The policy and hotline are well publicised across the Group, including via the intranet and through the Group’s training curriculum. Any matters are initially notified to the Chief Legal Officer & Company Secretary and the Head of Business Integrity. The Audit & Risk Committee reviews complaints made under the Speak Up policy and escalate any matters requiring Board oversight. Under this arrangement, employees are able to report any matters of concern, where this does not conflict with local laws or customs (see ‘Company information and corporate advisers’ section for details).

Committee evaluation

All members of the Committee participated in the externally facilitated Board effectiveness review carried out during the year, which concluded that the Committee functions effectively.

Elaine O’Donnell

Audit & Risk Committee Chair
27 January 2025

Directors' Remuneration Report

Despite progress on several strategic priorities, and outperformance of the market, this has not yet translated into enhanced financial performance. Consequently, the FY24 incentive plan outturns are lower in comparison with the prior year, and we have frozen executive salaries for FY25 as part of our unrelenting focus on cost management at this time.

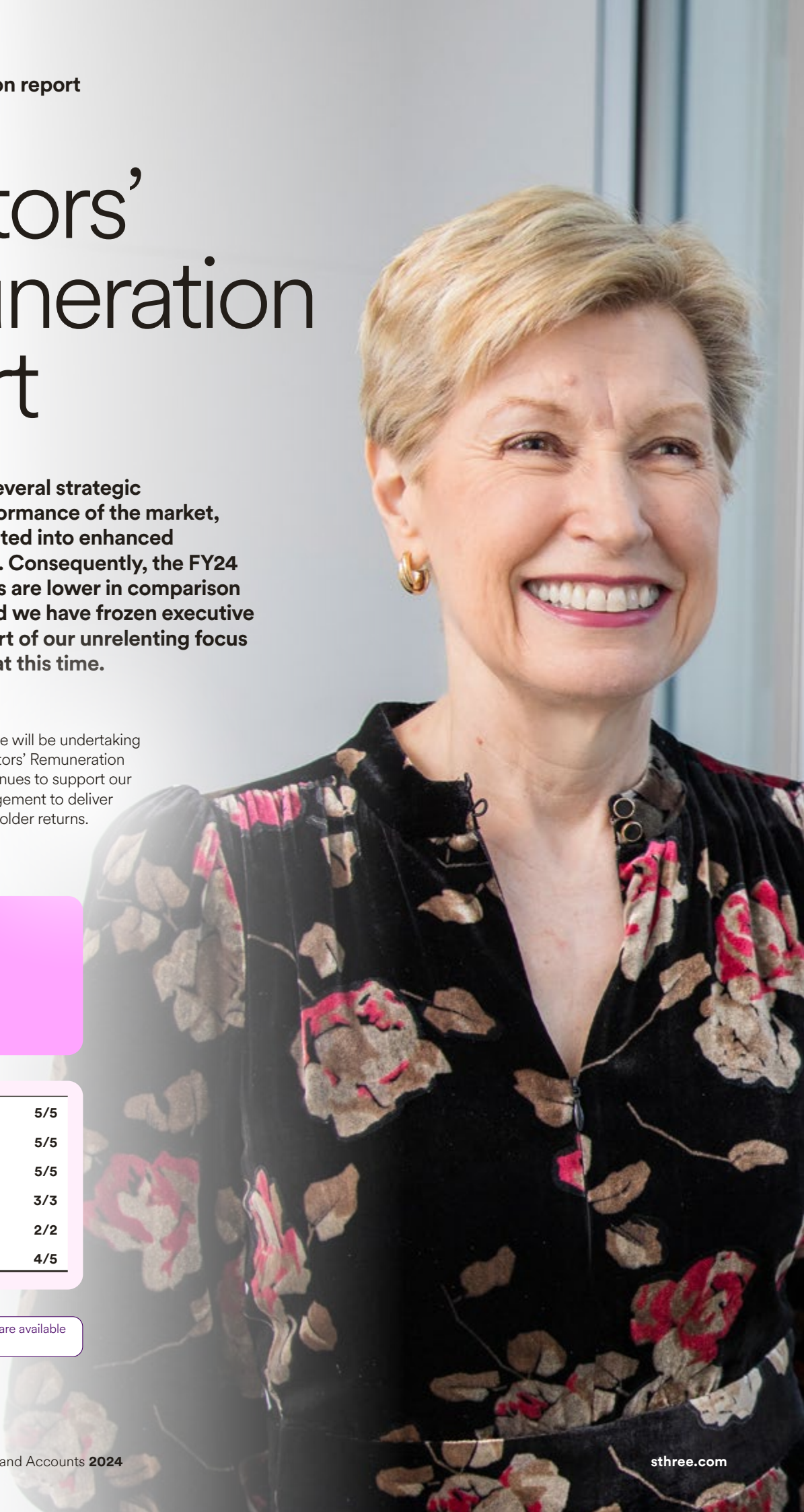
Looking forward, the Committee will be undertaking the triennial review of the Directors' Remuneration Policy in FY25 to ensure it continues to support our strategy and incentivises management to deliver strong performance and shareholder returns.

Committee meetings held

5

Denise Collis (Chair)	5/5
James Bilefield	5/5
Elaine O'Donnell	5/5
Sanjeevan Bala	3/3
Barrie Brien	2/2
Imogen Joss	4/5

Further reading: Full biographies are available on pages 96 to 97.



Dear Shareholder

On behalf of the Board, I am pleased to present this Directors' remuneration report for the period ended 30 November 2024. The Annual report on remuneration describes how our policy was implemented in 2024 and how we intend to operate it in 2025, the final year of the current policy period.

Overall, fixed elements of the remuneration packages are set so that they reflect the calibre and experience of our people and the complexity of their roles. The annual bonus measures are based on specific areas that require immediate focus, whereas our Long-Term Incentive Plan (LTIP), looks to drive sustainable improvements at a more macro level over the longer term. Culturally, the setting of both financial and broader non-financial measures serves to focus scheme participants on a holistic view of business success and hence serves to drive performance on a broad, sustainable basis.

During 2024 the Committee commenced a company-wide review of remuneration and incentives. This examined the structure and effectiveness of remuneration within an overall context of no changes to our incentive opportunities since 2010.



The Committee has given careful consideration to the remuneration outcomes for FY24 and the operation of the remuneration policy during FY25 in light of continued challenging economic conditions and the ongoing technology transformation within the business.

Denise Collis
Remuneration Committee Chair

This work will continue and will inform our next three year policy which will be presented at our AGM in 2026.

In the short term, however, the review highlighted that due to careful salary positioning on appointment and restrained cost of living increases, the salaries of the Chief Executive and Chief Financial Officer had not kept abreast of the market, which resulted in our consulting with shareholders in October on a salary increase for the Chief Executive from £510,854 to £600,000 and the Chief Financial Officer from £372,528 to £400,000. The proposed significant increase for the CEO reflected his growth and development in role building upon his in-depth industry experience, strong strategic perspective, track record to date and empathy with the SThree culture. In the same consultation we also flagged retaining the exceptional LTIP award of 175% of salary for a second year. The response to and engagement with these proposals from shareholders was greatly appreciated. Overall, there was a substantial support along with some alternative thoughts and suggestions.

When we started the consultation process in October, we had different expectations of business performance over the final two months of the financial year and into 2025. However, as it became progressively apparent that the prevailing, uncertain market conditions were likely to continue for some considerable period of time, the

Committee decided to freeze current salaries for the Executive Directors and not to implement the higher (175%) LTIP grant for the FY2025 award. A decision was also taken to freeze the fees of the other Board members.

We do still believe that the rationale behind our original proposal for salary increases for the Executive Directors remains fundamentally sound, but do not intend to proceed until such a time as we believe the decision to be fully justifiable. As FY25 marks the final year of our Remuneration Policy, any further consideration on the size of the LTIP grant will be contained in our new policy which will be put in front of shareholders at the AGM in 2026.

Remuneration payable for performance in 2024
Against continued challenging market conditions, the Group delivered in line with market expectations with sector-leading contract extension activity in our contractor business. New business activity remained weak driven by a number of key economies suffering from protracted challenges, as we remained focused on contract extensions and new business. Looking forward, the implementation of our Technology Improvement Programme progressed further during the year positioning us well for the delivery of sustainable long-term growth when markets recover. Against this backdrop the Committee has assessed the outcomes of the incentives for 2024.

Directors’ remuneration report continued

Half of the FY24 bonus is determined by adjusted operating profit achievement and the outcome was just below target resulting in 23.0% of the maximum bonus opportunity for this part of the award. Performance against the target range for net fees, weighted 15% of the bonus, was also between threshold and target resulting in 3.5% payout for this element. Performance for the measure of days sales outstanding, weighted 5% of the bonus, was below threshold resulting in no payout.

15% of the bonus was based on shared objectives split between three equally weighted objectives. Our performance in the area of employee engagement was above target resulting in a 3.3% pay-out. The maximum target for our client penetration metric was exceeded resulting in a 5% payout. Good progress was made in some parts of the business in relation to gender representation and improving the representation of women in leadership. However, this fell short of threshold, resulting in no payout for this element of the plan.

Overall, this results in a 34.8% of the 85% bonus opportunity linked to financial and short-term strategic targets being payable.

The personal objectives assessment represents a further opportunity of up to 15% for each Executive Director. Taking into account continued progress on the strategic agenda and performance delivered in line with expectations against a backdrop of a difficult market environment, the Committee has determined that the payout for the CEO and CFO should be 12.8% and 11.3% respectively, out of 15%, leading to an overall bonus of 47.6% and 46.1% of maximum.

The 2022 LTIP award, based on our performance over the three financial years to the end of FY24, was subject to a mix of Earnings Per Share (EPS), Total Shareholder Return (TSR), long term operating profit conversion ratio, and a range of ESG measures.

For the 50% of the award based on the EPS performance condition, this required adjusted EPS for 2024 to be between 51.9p and 63.0p representing significant growth over the period. Actual adjusted EPS performance for 2024 was 37.4p which was below threshold, resulting in no vesting of the EPS part of the award.

For the 20% of the award based on our TSR performance, our TSR was required to be between median and upper quartile performance against a peer group. Based on actual TSR performance SThree ranked at the 56th percentile which resulted in a 41.7% payout of this part of the award.

For the 20% of the award subject to operating profit conversion ratio, performance was 17.9% which was below threshold resulting in no vesting of this element of the award.

For the 10% of the award subject to ESG measures, performance was based on three equally weighted measures of positively impacting lives, renewables as % of net fees and carbon reduction. Performance against the renewables as a % of net fees was strong, resulting in full payout of this element. There was good performance against positively impacting lives, resulting in a vesting of 95.1% of maximum for this element. Performance against carbon reduction was above threshold, resulting in a 40.0% of maximum for this element.

The overall level of LTIP payout is 16.2% of maximum. The Committee has considered whether the formula-driven payouts under the incentive plans and resultant total remuneration for Directors is appropriate, looking at the broader context within which the performance has been delivered. The Committee is comfortable that there has been a robust link between remuneration and performance, and the policy has operated as intended. We have not adjusted the performance measures for any of the plans and there has not been a need to use discretion to adjust the level of remuneration payable. The outcomes also reflect broader reward outcomes across other incentive plans within the Group.

Full details of the bonus and LTIP measures, performance against them and resultant payments are set out in the Annual report on remuneration.

Policy implementation for 2025
There will be no salary increases for 2025 for the CEO and CFO.

The annual bonus will remain unchanged with a 70%–30% overall mix of financial and non-financial measures, half of the total being dependent upon adjusted operating profit achievement. Days Sales Outstanding (DSO) has been removed as a measure and the weighting of net fees increased by 5% to 20%. Instead, a DSO measure will be included within the personal objectives element of the bonus, where appropriate. Recognising the difficult market outlook the sliding scales for adjusted operating profit and net fees are lower than the prior year. However, the performance metrics have incorporated more challenge in relation to the business plan and, for the operating profit target, greater upside stretch for maximum payout.

The forthcoming LTIP grant will be an important one from an incentive perspective, given that the predicted vesting of the current inflight FY23 and FY24 awards is zero, reflecting continuing difficult market conditions. Notwithstanding this, the FY25 LTIP award will revert to 150% of salary subject to a review of the prevailing share price at the time of grant, following the exceptional 175% of salary award level for 2024.

The weighting of LTIP performance measures will remain unchanged at 50% EPS, 20% TSR, 20% operating profit conversion ratio and 10% ESG.

The Committee has decided to make an amendment to the operation of the TSR metric, which is within the scope of the Remuneration Policy. The normal methodology for calculation of the starting share price is the average share price over the three months prior to the year-end before grant.

However, there is a strong risk that in applying this approach, the significant reduction in share price since the date of the Trading update will markedly reduce the likelihood of the TSR element performing well against the median to upper quartile performance hurdle in comparison with the starting position of previous grants. This would have a negative impact on the incentive effect. One option considered by the Committee was to exclude TSR as a performance measure for this grant, given that it would not meet the usual criteria of ‘stretching but achievable’. However, the Committee concluded that TSR is an important metric, focusing scheme participants on restoration of the share price in a challenging market environment and removing it would be to the detriment of all stakeholders. The alternative approach, adopted by the Committee, has been to use a starting calculation of the three-month average share price prior to grant, i.e. mid December to mid-March. A closing three-month average period of mid-December to mid-March would also be used at the end of the performance period so that performance is still measured over a three-year period. The Remuneration policy permits this flexibility to ensure that incentives are appropriately pitched, so the approach taken is not a deviation from policy. It is, however, a different methodology to the one normally adopted, and so the Committee felt it appropriate to be fully transparent with shareholders. Given the change to the performance period, an estimated vesting will be provided in the FY27 Directors’ Remuneration Report, with the final number confirmed at a later date.

The EPS and Operating Profit Conversion Ratio target ranges have been carefully considered by the Committee and reflect the challenging market outlook over the performance period. The EPS range is ahead of current analyst consensus, which goes out to FY26, and the target ranges for both measures require a significant recovery in the business plan numbers for FY27, compared to FY25 and FY26. Overall, despite the ranges being lower than those set for awards in prior years the Committee is satisfied that they represent an equivalent level of stretch.

Full details of the annual bonus measures and the measures and targets for EPS, TSR and operating profit conversion ratio for the 2025–2027 LTIP awards are set out in the Annual report on remuneration. The targets for ESG (10% of the award) will be finalised once an in-depth analysis exercise has been completed, and these will be announced in March at the time of the grants of awards.

Below Board we have focused on improving awareness of the value in the current reward offering to all colleagues on a global basis. We have shaped our reward communications to explain our approach to setting pay and benefits together with how incentives are aimed at aligning interest between colleagues and investors. Colleagues are responding positively to this transparency.

Chair and NED fees
There will be no increases to the fee levels for the Chair and NEDs for 2025.

Shareholder and employee engagement, and specific focus on Executive remuneration in broader context
As noted above, during 2024 we consulted with our top eleven shareholders and the leading advisory agencies on remuneration-related matters for 2025. The Committee received feedback from five of the shareholders, who were supportive of our proposals. However, having considered the impact of continuing, difficult market conditions along with the wider stakeholder experience towards the end of FY24 and at the beginning of FY25, the Committee determined that it would not be appropriate to make changes to the base salary levels for the CEO and CFO or any other aspects of the operation of policy for 2025.

We have continued to build upon the rolling programme of engagement with employees around reward, utilising a combination of in-person and virtual meetings. I have personally engaged with many employees across several of our offices around the world, as part of my role as designated NED responsible for employee engagement, during which reward continues to be an area of discussion.

In addition, I held an interactive and productive session with a diverse group, drawn from across the business, to answer questions about our corporate governance and remuneration processes and how our reward policy cascades throughout the Company.

At the September Committee meeting we continued to focus on the ‘fair pay’ agenda discussing progress on specific initiatives. These included continuing to review our gender pay gap, ensuring base salaries were within the market range, analysing the breakdown in variable pay and commission across cohorts and the operation of our employee share plans. We also, for the first time, analysed our ethnicity pay data in the UK and USA to examine whether there are any pay gaps and set out action plans to any such gaps.

Conclusion
Finally, after nine years, I will be stepping down from the Board and as Chair of the Remuneration Committee later in the year. I would like to express my sincere gratitude for the support and contribution of my colleagues on the Board but also to all the colleagues who I have encountered over my time with the Company.

The Committee appreciates the support and engagement from shareholders to date on its executive remuneration and governance approach and looks forward to this continued support at the AGM in April 2025.

Denise Collis
Chair of the Remuneration Committee
27 January 2025

How have we performed?

Bonus – maximum potential 120% of base salary	Weighting	Threshold	Target	Max	Actual	Achievement % (as a % of maximum)	Outcome (of metric)
Group adjusted operating profit £m¹	50%	54.0	60.0	69.0	59.2	46.0%	23.0%
Group net fees £m	15%	346.3	384.8	442.5	350.6	23.4%	3.5%
Days Sales Outstanding (DSO)²	5%	48.0	46.0	44.0	55.0	0.0%	0.0%
Group Financial objectives	70%						26.5%
Client – Weekly Net Fees £m	5%	4.5	4.7	5.2	6.4	100.0%	5.0%
Employee/Colleague Against Peer Group in Peakon	5%	Median	Linear progression	Upper decile	Between Median and Upper decile	65.9%	3.3%
DE&I Derived from Female/Male promotions at Velocity Level 3+	5%	Equal number of men and women promoted	One more female promotions over number of men promoted	Two + more female promotions over number of men promoted	Fewer number of women promoted than men	0.0%	0.0%
Shared objectives	15%						8.3%
Personal objectives	15%	Details set out later in this report				CEO 85%, CFO 75%	CEO 12.8%, CFO 11.3%
Total pay-out (% of maximum)							CEO 47.6%, CFO 46.1%

1. Adjusted operating profit is the profit determined for the Group using constant currency.
2. DSO actual is based on the FY24 average.

2022–2024 LTIP award – grant 150% of base salary	Weighting	Threshold	Max	Actual	Achievement (%) of maximum)	Outcome (of metric)
EPS (adjusted)	50%	51.9p	63.0p	37.4p	0.0%	0.0%
TSR	20%	50th percentile	75th percentile	56th percentile	41.7%	8.3%
OP conversion	20%	19.0%	23.0%	17.9%	0.0%	0.0%
ESG: Positively impacting lives	3.3%	135,000	165,000	163,028	95.1%	3.2%
ESG: Increasing our renewables	3.3%	8.5%	9.5%	11.4%	100.0%	3.3%
ESG: Carbon reduction	3.3%	20%	25%	21.0%	40.0%	1.3%
Total vesting (% of maximum)						16.2%

Summary of total reward

	Reward component	CEO	CFO
2024	Base pay £’000	£510.9	£372.5
	Total remuneration £’000	£946.8	£696.3
2023	Base pay £’000	£500.8	£365.2
	Total remuneration £’000	£946.0	£707.9

How we will apply the remuneration policy in 2025

Key Reward Component	Key Features
Base salary and core benefits	The salaries of the Executive Directors will be unchanged at £510,854 for the CEO and £372,528 for the CFO Pension contribution: 5% of salary for CEO and CFO in line with the wider UK workforce
Annual bonus	Maximum of 120% of salary, with one third of any bonus award paid in shares and held for two years 70% Group financial targets 15% Shared objectives 5% Personal objectives
LTIP award	Maximum award of shares worth 150% of annual salary, performance tested, vesting after three years with a further two-year holding period 50% EPS 20% TSR 20% Strategic targets (operating profit conversion ratio %) 10% ESG (carbon emission reduction)
Shareholding requirements	Requirement to build up and hold shares equivalent to 200% of salary whilst employed. Post-service requirement to hold the lower of 200% of salary or actual shareholding for two years after cessation of employment

Remuneration policy

This section of the Directors’ remuneration report sets out the Group’s full remuneration policy for Directors. This was approved by shareholders at the AGM held on 19 April 2023 and will apply for a period of three years from this date.

The remuneration policy is designed to support the strategic business objectives of the Group so as to attract, motivate and retain high-calibre Directors and senior managers, in order to deliver sustainable long-term increases in shareholder value.

Remuneration payments and payments for loss of office to Directors can only be made if they are consistent with the approved Remuneration Policy or if an amendment to the Policy, authorising the Company to make the payment, has been approved by shareholders.

The full policy can be viewed on our website in the Investor Centre section included in our 2022 Annual Report.

Decision-making process for determination, review and implementation of policy

The Committee reviews the Policy and its operation taking into account the UK Corporate Governance Code, institutional investor and proxy agency views and market practice and regulatory developments. The Committee also takes into account views from Management and advisers who provide the Committee with updates on corporate governance developments, market practice and technical assistance. In addition, the Committee also carefully considers the remuneration arrangements, policies and practices of the workforce and the cascade of remuneration throughout the business to ensure that Executive Director pay is considered in the round.

Where changes are being made to the remuneration policy or significant changes are proposed in the way we operate our policy, major shareholders will be consulted, and their views taken into account.

To manage any potential conflicts of interest, no individual is involved in discussions regarding their own remuneration arrangements and the Committee designs the Policy such that remuneration is fully aligned to, and supports, the strategy.

Implementation of the Policy is considered annually for the year ahead in light of the strategy and market outlook and incentive targets are appropriately stretching.

Remuneration policy continued

Factors considered in reviewing and operating the policy

The table below describes how the factors of Provision 40 listed in the UK Corporate Governance Code are addressed in the Remuneration Policy and its application.

Clarity	The policy and its implementation is straightforward, in line with market norms and clearly disclosed in the Directors' remuneration report. The Remuneration Committee Chair consults with shareholders to explain any changes that are being made to the remuneration policy or where there is a significant change in operation of policy.
Simplicity	The policy is simple and clear and in line with market practice. The performance conditions chosen are aligned to the business strategy and the operation of our policy shows a strong and clear link to performance.
Risk	<p>The design of our remuneration policy ensures that excessive risk taking will not be rewarded by the balance of incentive plans in favour of long-term performance and equity, significant shareholding requirements, discretion to override formula-driven incentive payments, and malus and clawback provisions.</p> <p>To avoid conflict of interest no individual is present when their remuneration is being reviewed.</p>
Predictability	The incentive plans are subject to maximum caps, and the scenario charts illustrate the potential rewards receivable, taking into consideration performance and share price growth, for the Executive Directors.
Proportionality	Overall, there is an appropriate balance between fixed and performance-based pay (weighted in favour of the latter) and short and long-term incentives (also weighted in favour of the latter). Performance targets are stretching, delivering incrementally higher performance pay at higher performance levels. This delivers a market competitive remuneration package which is strongly linked to both short and long-term performance.
Alignment to culture	The Remuneration Committee designs and operates the policy to support and drive behaviours in line with the Company culture. The Committee actively considers the pay reward structures across the Group in this process to ensure that a consistent approach to reward is adopted that is in line with our values.

The Remuneration Policy is set out in the table below, followed by supporting notes which, together, form the Policy.

Executive Directors

Element	Purpose and link to strategy	Operation	Maximum	Performance metrics
Base salary	Sufficient to attract, retain and motivate high-calibre individuals.	Reviewed annually with any increases normally taking effect from 1 December.	Increases will normally be equivalent to the average salary increase for employees, other than in exceptional circumstances.	Not applicable
Benefits	Market competitive benefits package.	<p>Including benefits allowance, private medical insurance, permanent health insurance, life assurance and housing allowance (if relocated).</p> <p>Other benefits may be introduced to ensure benefits overall are competitive and appropriate for the circumstances.</p>	Cost of insured benefits will vary in line with premiums. Other benefits will be at a level considered appropriate in the circumstances.	Not applicable
Pension	To provide a competitive pension provision.	Individuals may either participate in a pension plan into which the Group contributes or receive a salary supplement in lieu of pension.	Executive Directors are entitled to a Group contribution to a pension scheme or cash in lieu, of 5% of salary, aligned with the current UK workforce contribution.	Not applicable

Element	Purpose and link to strategy	Operation	Maximum	Performance metrics
Annual bonus	Incentivises high levels of personal and team performance, focused on the key business strategies and financial/operational measures which will promote the long-term success of the business.	<p>Deferral into shares for one third of any bonus earned, which must be held for two years.</p> <p>Dividends or dividend equivalent payments accrue on deferred shares, payable normally in shares.</p> <p>Bonus may be subject to clawback or malus being applied, if appropriate, in the event of financial misstatement, error, misconduct, reputational damage or corporate failure, which has led to an over-payment.</p>	Maximum bonus opportunity is 120% of annual salary.	<p>Achievement of agreed strategic and financial/operational annual business targets, weighted in line with business priorities. A majority of the performance conditions will be based on financial metrics. Sliding scales are used for each metric wherever practicable with up to 20% payable for achieving threshold performance. Normally 50% of the maximum bonus is payable for target performance for any financial metric.</p> <p>Within the maximum limit, the Committee may adjust bonus outcomes, based on the application of the bonus formula set at the start of the relevant year, if for instance it considers the quantum to be inconsistent with the Group's overall performance during the year.</p>
Long-Term Incentive Plan	Incentivises and rewards Executives for the delivery of longer-term strategic objectives and to reward substantial relative and absolute increases in shareholder value.	<p>LTIP awards may be granted each year in the form of a conditional award of shares or a nil-cost option. LTIP awards normally vest after three years. Dividend equivalent payments accrue on vested LTIP awards, payable normally in shares. Vested LTIP awards must be held for a further two years before the shares may be sold (other than to pay tax).</p> <p>LTIP awards may be subject to clawback or malus being applied, if appropriate, in the event of financial misstatement, error, misconduct, reputational damage or corporate failure, which has led to an over-payment.</p>	The maximum award is 150% of annual salary in normal circumstances but may be increased to 175% of annual salary in exceptional circumstances.	<p>Targets are reviewed annually ahead of each grant to ensure they are aligned to the business strategy and performance outlook. A majority of the performance conditions are based on Group financial performance and shareholder value-based outcomes. No more than 25% of an award may vest for the threshold level of performance.</p> <p>Within the maximum limit, the Committee may adjust vesting outcomes, if it considers the quantum to be inconsistent with the Group's overall performance during the performance period or for other factors, at its discretion.</p>
All-employee share plans	Support and encourage share ownership by employees at all levels.	<p>Individuals may participate in share plans offered on an 'all-employee' basis on the same terms as other colleagues. HMRC approved SAYE and SIP participation is available to all UK employees, including Executive Directors, on similar terms.</p> <p>A global SIP is available to all employees, including Executive Directors, on similar terms. For UK participants this is an HMRC tax-advantaged SIP.</p> <p>Other plans may be introduced from time to time to ensure the all-employee share plans offering remains appropriate.</p>	In line with statutory limits or lower limits specified by the Group from time to time.	Not applicable

Remuneration policy continued

Element	Purpose and link to strategy	Operation	Maximum	Performance metrics
Share ownership requirements	Alignment of Executive Directors’ interests with those of investors.	<p>Executive Directors are expected to build and maintain a shareholding equivalent in value to no less than 200% of base salary. Until this threshold is achieved Executive Directors are normally required to retain no less than 50% of the net of tax value from vested LTIP, deferred bonus or other share awards (after the expiry of any relevant holding period).</p> <p>After ceasing employment Executive Directors must normally retain a level of shareholding for two years equivalent to the lower of 200% of salary or the level of shareholding on ceasing employment with the Group. Self-purchased shares are excluded from this requirement.</p>	Not applicable	Not applicable

Provisions under previous remuneration policies

For the avoidance of doubt, the Committee has authority to honour any payments due under the terms of the previous policy or which have been disclosed to shareholders in previous remuneration reports. As part of this policy, awards or other arrangements which were made in compliance with the policy in force at the relevant time, may be settled in accordance with their terms.

Operation of incentive plans

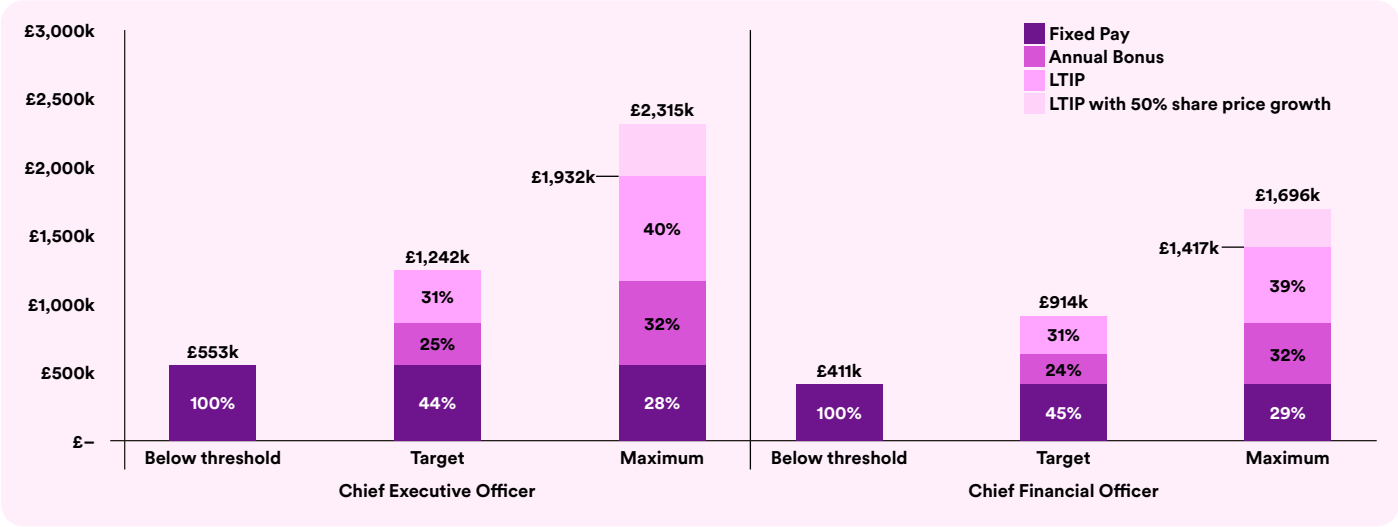
The Committee’s policy is to review performance measures for the incentive schemes annually, so that they continually align with strategic objectives. The Committee considers that linking annual bonus and the vesting of LTIP awards to a combination of different measures, capturing share price, financial results and non-financial performance, will ensure that incentive plans provide a reward for rounded performance, while maintaining the alignment of Executive and shareholder interests. Targets for the incentive schemes are reviewed annually and consideration is given as to whether these remain appropriate or need to be recalibrated. The specific performance targets are set with the aim of setting stretching targets which incentivise and reward improved performance.

In designing incentive structures and approving incentive payments, the Committee pays due consideration to risk management and environmental, social and governance (ESG) issues.

The Committee may exercise discretion in assessing achievement against each stated target where it considers that it would be fair and reasonable to do so. The Committee may also exercise broader discretion in relation to the terms of all incentive plans, for instance (but not limited to) adjustments required for corporate restructuring and change of control.

Illustration of potential 2025 Executive Directors’ remuneration

The charts below show the remuneration potentially payable to Executive Directors under different performance scenarios.



Assumptions for the charts above:

Fixed pay comprises base salary as at 1 December 2024, pension contribution of 5% salary and the value of benefits received in 2024. The on-target level of bonus is 50% of the maximum opportunity. The on-target level of the LTIP is taken to be 50% of the value of a single year’s award.

The maximum level of bonus and LTIP is the maximum bonus and full vesting of the LTIP award at the 150% of base salary award level. No share price appreciation has been assumed for deferred bonus awards and the value of all-employee share plans has been excluded. The ‘maximum’ column includes an additional 50% value of the LTIP to illustrate 50% share price growth.

Role of the Committee in overseeing broader employee pay and differences in remuneration policy for Executive Directors compared to other employees

The Committee actively considers the pay structures across the wider Group when setting policy for Executive Directors to ensure that a consistent approach to reward is adopted that is in line with our values. There is a particular focus in relation to any base salary review.

Overall, compared to most employees, the remuneration policy for Executive Directors is weighted more to long-term share-based incentives and stringent deferral and shareholding requirements. This is to ensure that the relatively higher pay levels are justifiable internally and externally to shareholders as a clear link between the long-term value created for shareholders and the remuneration received by Executives.

Consideration of employment conditions elsewhere in the Group

When setting the Executive Directors’ remuneration policy, the Committee takes into account the pay and conditions of employees more generally and, at least once a year, is given full details of the remuneration policy across the Group, with any changes highlighted. As mentioned earlier, the Committee Chair also has responsibility to engage on employee pay.

We have built upon the rolling programme of engagement with employees around reward, utilising a combination of in-person and virtual meetings. Denise Collis, Committee Chair, personally engaged with many employees across several of our offices around the world during which reward continues to be an area of discussion. In addition, Denise recently held an interactive and productive session with a diverse group, drawn from across the business, to answer questions about our corporate governance and remuneration processes and how our reward policy cascades throughout the Company, accompanied by the Director of Reward.

The focus on the ‘fair pay’ agenda continued this year, discussing progress on specific initiatives as highlighted in the Chair’s statement. From 2024 we have been paying all UK colleagues at or above the Real Living Wage Foundation’s recommended level, we are embracing the importance of ‘pay transparency’ across the business and implementing the necessary systems before this is required for our European businesses.

Remuneration policy continued

Consideration of shareholders’ views in determining the remuneration policy

The Committee actively consults with shareholders on executive remuneration policy changes. Feedback is taken on board and any proposals are adjusted, as appropriate, given the objective of ensuring that shareholders are supportive of the policy and its implementation. In addition, the Group follows shareholder sentiment on executive pay and takes it into account in considering the application of policy in the years between the development of a new policy.

Remuneration policy for recruitment and promotion

The remuneration package for a new Executive Director would take into account the skills and experience of the individual, the market rate for a candidate of that experience and the individual’s remuneration package in their previous role if considered appropriate. The Committee will not pay more than necessary to facilitate the recruitment of an individual.

Base salary levels will be set in line with the policy taking account of their skills and experience and market data at comparable companies. Benefits and pension will be in line with the policy. Additionally, there is flexibility to make payments to cover relocation and other related expenses.

Annual bonus opportunity will be in line with the policy and there is flexibility to set different performance conditions measurable over a part-year for Executives in the first year of appointment.

LTIP award levels will be in line with the policy.

For internal promotions, outstanding incentive payments may continue and vest on their original terms. For external recruits there may be a need to buy out unvested incentive awards at a previous employer. The Committee confirms that any such buy-out arrangements would only be used if necessary, would take a similar form to that surrendered (e.g. cash or shares and timeframe), would take account of performance conditions, vesting periods and quantum, and would be no greater than that which the individual has forfeited on appointment.

Policy on Directors’ service contracts and payments for loss of office

The Executive Directors have rolling service contracts subject to a maximum of 12 months’ notice by the Group or Executive. For the avoidance of doubt, an individual’s notice period will start on the date of the announcement of their departure. At the Group’s discretion, on termination a payment may be made in lieu of notice equivalent to 12 months’ salary, which may be paid in monthly instalments and offset against future earnings. For new hires the policy is to provide a 12-month notice period.

Service contracts are available for inspection by appointment at 8 Bishopsgate, London EC2N 4BQ.

Depending on the circumstances the Committee may consider payments in respect of statutory entitlements, outplacement support and legal fees. Mitigation would be applied to reduce any payments associated with loss of office.

‘Good leavers’ (e.g. redundancy or retirement) as determined by the Committee may generally retain any earned bonus (pro-rata if active employment ceases part way through the year and normally paid at the usual time) or share-based awards, with LTIP awards scaled back on a pro-rata basis for the portion of the vesting period elapsed on cessation of active employment, subject to still achieving any relevant performance criteria.

Awards would vest at the normal time and any deferral or holding periods would continue to apply for the normal duration. Only in exceptional circumstances would awards vest or shares be released early, such as serious ill-health.

‘Bad leavers’, such as a resignation, will lose any entitlement to participate in the current bonus scheme and any LTIP awards will normally lapse on cessation of employment.

Deferred bonus shares are beneficially owned, but must be held for a minimum of two years.

External appointments

Executive Directors are encouraged to undertake one external appointment, where they are able to combine this with their existing role. This helps to broaden experience and capability, which can benefit the Group. Currently, no external appointments are held by any Executive Directors.

Terms of appointment and remuneration policy for Non-Executive Directors (NEDs)

NEDs are appointed by letters of appointment providing for an initial three-year term, subject to satisfactory performance and re-election at each AGM, with an expectation that they would serve for at least six years, to provide a mix of independence, balance and continuity of experience. In practice NEDs may be requested to serve up to nine years, subject to rigorous review. The dates of appointment and current terms of the NEDs who served during the year are set out in the below table.

Non-Executive Director	Date of appointment	Expiry date of current term
James Bilefield	October 2017	30 September 2026
Denise Collis	July 2016	30 June 2025
Sanjeevan Bala	April 2024	25 April 2027
Elaine O’Donnell	October 2022	1 October 2025
Imogen Joss	December 2022	1 December 2025

The appointment may be terminated by either the Group or the NED giving three months’ notice. Upon termination or resignation, NEDs are not entitled to compensation and, except for the three-months’ notice, no fee is payable in respect of any unexpired portion of the three-year term of appointment.

Service contracts are available for inspection by appointment at 8 Bishopsgate, London EC2N 4BQ.

The policy for the remuneration of NEDs is summarised below:

Element	Purpose and link to strategy	Operation	Maximum	Performance metrics
Fees	Attracts, retains and motivates high-calibre NEDs to provide experience, capability and governance in the interest of shareholders.	Fees are determined by the Board as a whole and set by reference to those fees paid in similar companies, related to allocated responsibilities and subject to the aggregate Directors’ fee limits contained in the Group’s Articles of Association. Fees may be payable in cash or in shares. Out of pocket expenses including travel may be reimbursed by the Group in accordance with the Group’s expenses policy (and may settle any tax incurred in relation to these). NEDs are not entitled to compensation and no fee is payable in respect of the unexpired portion of the term of appointment.	There is no maximum individual fee limit. The overall fee comprises a basic fee plus payment for additional responsibilities such as chairing Committees and for interim additional duties. NEDs do not participate in the Group’s incentive schemes.	Non-Executive Directors are not eligible for any performance-related remuneration. Obligation to perform satisfactorily and attend and contribute to meetings, assessed via Board effectiveness reviews.

Sourcing shares for share plans and minority interests

Shares used to settle vested share awards may include new issue shares, treasury, Employee Benefit Trust (‘EBT’) shares or market-purchased shares. The use of new issue or treasury shares is constrained by dilution limits which are reviewed by the Board annually. In order to comply with investor guidelines, the Board has agreed that certain LTIP awards will be satisfied using market-purchased shares via the EBT, if appropriate.

Annual report on remuneration

Section 1 – Total reward for 2024

- 1.1 Directors’ total remuneration for 2024
- 1.2 Annual bonus for 2024
- 1.3 LTIP awards vested by reference to performance over the three years to 2024
- 1.4 LTIP awards granted during the year
- 1.5 Performance conditions for the 2024–2026 LTIP award
- 1.6 Payments for loss of office
- 1.7 Payments to past Directors

1.1 Directors’ total remuneration for 2024 (audited)

		Salary and fees £’000	Benefits¹ £’000	Pension² £’000	Total fixed pay £’000	Annual bonus £’000	Long Term Incentive Plan³ £’000	Total variable pay £’000	Total Annual Compensation £’000
Director									
Timo Lehne	2024	510.9	16.4	25.5	552.8	291.5	102.5	394.0	946.8
	2023	500.8	18.1	25.0	543.9	110.9	291.2	402.1	946.0
Andrew Beach	2024	372.5	19.9	18.6	411.0	205.8	79.5	285.3	696.3
	2023	365.2	19.1	18.3	402.6	58.9	246.4	305.3	707.9
Elaine O’Donnell	2024	68.1	–	–	68.1	–	–	–	68.1
	2023	66.9	–	–	66.9	–	–	–	66.9
Denise Collis	2024	83.1	–	–	83.1	–	–	–	83.1
	2023	81.9	–	–	81.9	–	–	–	81.9
James Bilefield	2024	179.5	–	–	179.5	–	–	–	179.5
	2023	176.0	–	–	176.0	–	–	–	176.0
Barrie Brien⁴	2024	23.3	–	–	23.3	–	–	–	23.3
	2023	56.9	–	–	56.9	–	–	–	56.9
Sanjeevan Bala⁵	2024	34.9	–	–	34.9	–	–	–	34.9
Imogen Joss	2024	58.1	–	–	58.1	–	–	–	58.1
	2023	56.9	–	–	56.9			–	56.9

1. Benefits comprise car allowance, medical cover and life/income protection insurance.

2. Timo Lehne’s pension is paid into a pension scheme. Andrew Beach’s pension is paid as cash in lieu.

3. 2024 LTIP awards relate to those granted in early 2022 and due to vest in February 2025 and additionally in July 2025 for Timo Lehne only, based on performance assessed over 2022 to 2024 and including dividend equivalents. The value has been calculated using a share price of 371p, being the average closing price over Q4 of the financial year. 2023 LTIP awards relate to those granted in early 2021 and vested in February 2024 for Timo Lehne and July 2024 for Andrew Beach, based on performance assessed over 2021 to 2023, also including the value of any related dividends accrued during the vesting period on vested awards. The LTIP value has been updated to reflect the actual share price on the date of vesting which was 424p for Timo Lehne and 422.56p for Andrew Beach. The updated share price has been used for the LTIP values in the table above.

4. Barrie Brien stood down from the Board in April 2024.

5. Sanjeevan Bala was appointed to the Board on 25 April 2024.

1.2 Annual bonus for 2024 (audited)

Bonus – maximum potential 120% of base salary	Weighting	Threshold (20% payable)	Target (50% payable)	Maximum (100% payable)	Actual Performance	Achievement %	Outcome (as a % of maximum)
Group adjusted operating profit £m¹	50%	54	60	69	59.2	46.0%	23.0%
Group net fees £m	15%	346.3	384.8	442.5	350.6	23.4%	3.5%
Days Sales Outstanding (DSO)²	5%	48	46	44	55	0.0%	0.0%
Group Financial objectives	70%						26.5%
Client – Weekly Net Fees £m	5%	4.5	4.7	5.2	6.4	100.0%	5.0%
Employee/Colleague Against Peer Group in Peakon	5%	Median	Linear progression	Upper decile	In between Median & Upper Decile	65.9%	3.3%
DE&I Derived from Female/Male promotions at Velocity Level 3+	5%	Equal number of men and women promoted	One more female promotions over number of men promoted	Two + more female promotions over number of men promoted	Fewer number of women promoted than men	0.0%	0.0%
Shared objectives	15%						8.3%
Sub-total (% of maximum)							34.8%
Personal objectives	15%	Individually determined, details are set out below				CEO 85%, CFO 75%	CEO 12.8%, CFO 11.3%
Total (% of maximum)	100%						CEO 47.6%, CFO 46.1%

1. Adjusted operating profit is the profit determined for the Group using constant currency.

2. DSO actual is based on the FY24 average.

Annual report on remuneration continued

Performance of the CEO and CFO against their personal objectives for 2024 is detailed below:

Director	Personal objective	Assessment of performance by Committee	Overall achievement (out of maximum 100%)
Timo Lehne	Market development Further develop a compelling investor strategy for SThree.	Good progress made in further enhancing the investor narrative, with a particular focus on the transformation programme and clarity around our proposition.	85%
	Define an overarching Marketing strategy for implementation in FY25 including clarification of House of Brands strategy evolution.	Marketing strategy completed and ready to be rolled out in FY25.	
	Ensure the continued performance of our core markets – US, DE, NL with the right operating model and market focus.	Performance has compared favourably with direct listed competitors.	
	Business transformation Delivery of agreed roadmap for the Transformation programme, including early proof points on Sales Effectiveness.	Initial proof points emerging in the back office and middle office areas, consistent with the planned timeline.	
	Ensure Transformation outputs and changes effectively integrate into the business to enable benefits realisation.	Cost to serve headcount reduction targets fully met.	
	Implement a light CLM system according to agreed roll-out plan, and build the plan for a Marketing technology roadmap and HCM deployment.	System developments have enabled monitoring of cohort progression (0–18 and 18–24 months service groups). Early indications are encouraging.	
	People Design and Deliver Phase 1 of the our Group-wide People Programme.	Phase 1 modules successfully delivered.	
	Further develop the leadership effectiveness of the executive team, and strengthen the succession pipeline.	Strong individual performance of the executive team against stretch objectives. Employee Net Promoter Score targets achieved. Effective development of key talent and strengthening of the succession pipeline.	
	Strategy & structure Embed the SThree Vision statement and Values within the organisation with visible proof points in offices and/or systems.	Fully launched and embedded across the organisation. Culture session delivered in conjunction with CPO at the October Strategy Conference.	
	Build a roadmap for SThree, outlining the medium term future direction of the business and the evolution of the service offering.	SThree ‘Value Creation Plan’ shared and agreed at the Strategy Board.	
	In partnership with the CFO, build an M&A Strategy and a strong PMI plan.	M&A Strategy presented and approved by Board. Achieved ‘M&A ready’ goals.	

Director	Personal objective	Assessment of performance by Committee	Overall achievement (out of maximum 100%)
Andrew Beach	Drive performance Ensure the Transformation outputs and changes effectively integrate into the business to enable benefits realisation.	Full cost savings targets achieved with early stage improvements in deals metrics for the 0–18 month and 18–24 month service cohorts.	75%
	Partner with Managing Directors to accelerate engagement on commercial activity and improvement in KPIs, including a focus on the cost model.	Achievement of KPI targets.	
	Develop people Build interdependencies between Regional Finance and Central FP&R team, ensuring more strategic alignment and strong collaboration as One Team.	Significant improvement in relationships between Centre and regional Finance Business Partners, supported by collaborative aligned process working on key imperatives.	
	Develop Finance Business Partners towards broader, more strategic Regional Finance Director role in line with the new TOM.	Key developmental milestones achieved.	
	Step change Investor Relations strategy Deliver key messages on the Technology Improvement Plan to the City, ensuring success is measurable and well positioned.	Strong messaging on status, roll-out and budgets well received by investors. On track to demonstrate proof points during FY25.	
	Launch new clear capital allocation policy.	Capital policy presented to and well received by investors.	
	Ensure a new level of clarity for investors around our Employed Contractor Model proposition, including online investor event.	Strong, positive investor feedback.	
	Strategy In partnership with the CEO, build an M&A Strategy and a strong PMI plan.	M&A Strategy presented and approved by Board. Achieved ‘M&A ready’ goals.	

The table below sets out the annual bonus outcome for the Executive Directors. In determining the final outcome, the Committee did not exercise any discretion. One third of the bonus payable will be paid in shares, which must be held for a period of two years.

	Financial element		Shared element		Personal element		Total bonus payable £
	% achievement (out of 70%)	Payment under financial element £	% achievement (out of 15%)	Payment under Strategic element £	% achievement (out of 15%)	Payment under Personal element £	
Timo Lehne	26.5%	162,467	8.3%	50,840	12.8%	78,161	291,468
Andrew Beach	26.5%	118,476	8.3%	37,074	11.3%	50,291	205,841

Annual report on remuneration continued

1.3 2022–2024 LTIP award vested by reference to performance over the three years to 2024 (audited)

Earnings Per Share (‘EPS’) for 50% of the award:

EPS Payout range	Payout range (threshold to maximum)	Actual performance	Vesting level	Vesting % of total LTIP award
Between 51.9p and 63.0 per share	25% – 100%	37.4p	0.0%	0.0%

Total Shareholder Return (‘TSR’) for 20% of the award:

TSR – Rank of the Company compared to the peer group payout range	Payout range (threshold to maximum)	Actual performance	Vesting level	Vesting % of total LTIP award
TSR performance between the median (50 th percentile and upper quartile (75 th percentile)	25% – 100%	56 th percentile	41.7%	8.3%

Strategic objectives for 20% of the award:

Measure	Target	Actual performance	Vesting level	Vesting % of total LTIP award
Operating profit conversion ratio	Financial operating profit conversion ratio of between 19.0% and 23.0% in 2024	17.9%	0.0%	0.0%

ESG objectives for 10% of the award (3.3% for each measure):

Measure	Target	Actual performance	Vesting level	Vesting % of total LTIP award
ESG	1. Positively impacting lives between 135,000 and 165,000	163,028	95.1%	3.2%
	2. Increasing our renewables business between 8.5% and 9.5%	11.4%	100.0%	3.3%
	3. Carbon reduction (absolute reduction of between threshold 20% and 25%)	21.0%	40.0%	1.3%
Total				16.2%

Number of shares granted vs vested vs lapsed based on assessment versus targets for 2022–2024 LTIP award granted in 2022 (audited).

Executive Director	Number of shares granted	Number of shares vested	Number of shares lapsed	Dividend equivalent additional shares	Value of vested shares based on grant price £¹	Dividend equivalent additional shares £	Total £
Timo Lehne, CEO	152,575	24,669	127,906	2,972	91,522	11,026	102,548
Andrew Beach, CFO	117,886	19,060	98,826	2,356	70,713	8,741	79,453

1. Based on a Q4 average share price for 2024 of 371p, there is no value attributable to share price appreciation given the share prices on grant were 449p for the February grant for both EDs and 395p for the additional LTIP award granted in July 2022 to Timo Lehne upon his appointment to permanent CEO.

1.4 LTIP awards granted during 2024 (audited)

2022–2026 LTIP award – grant 150% of base salary	Type	Date of grant	Number of shares	Face value of award¹	% of award receivable at threshold	Performance period
Timo Lehne	Conditional share awards	6 March 2024	213,915	£890,956	25%	1 December 2024 to 30 November 2027
Andrew Beach	Conditional share awards	6 March 2024	155,992	£649,707	25%	1 December 2024 to 30 November 2027

1. Based on the closing share price on day before grant date of 416.5p.

1.5 Performance conditions for the 2024–2026 LTIP award (audited)

Awards vest on the third anniversary of grant, with a further two-year holding period on vested shares. Performance conditions are based on EPS, TSR, operating profit conversion ratio, and an ESG metric, each applied independently, and there will be a straight-line sliding scale between threshold and maximum.

LTIP Weighting	EPS	TSR	OPCR%	ESG
2024–2026	50%	20%	20%	10% (5% for each measure)
2024–2026	2026 EPS to be between 50.0p (25% vesting) and 61.0p (100% vesting)	Between median (25% vesting) and UQ (100% vesting)	Adjusted operating profit conversion ratio in 2026 to be between 18.5% (25% vesting) and 22.0% (100% vesting)	Measuring carbon reduction across scope 1, 2 and 3 emissions. Incremental progress against 2030 milestones. 1) Scope 1 and 2 reduction: between threshold 40% (25% vesting) and 50% (100% vesting); and 2) Scope 3 reduction: between threshold 20% (25% vesting) and 25% (100% vesting).

Notes:
For the 2024–26 LTIP grant the TSR peer group comprises of the following 14 companies – Robert Half International, Randstad, Adecco Group, Asgn, Manpower Group, Korn Ferry, Hays, Page Group, Kforce, Amadeus Fire, Groupe Crit, Kelly Services ‘A’, Robert Walters and Brunel Intl.

1.6 Payments for loss of office (audited)

No payments were made for loss of office in the year.

1.7 Payments to past Directors (audited)

No payments were made to past Directors in the year.

Annual report on remuneration continued

Section 2 – How we will apply our remuneration policy in 2025

- 2.1 Base salary
- 2.2 Benefits and pension
- 2.3 2025 annual bonus including financial, shared and personal measures
- 2.4 2025 Long-Term Incentive Plan awards
- 2.5 Non-Executive Directors (‘NEDs’)

2.1 Base salary

The table below illustrates the most recent base salary review (effective for 2025).

	Base salary 2024 £’000	Increase (from 1 Dec 2024)	Base salary 2025 £’000
Executive Director			
Timo Lehne, CEO	510.9	0.0%	510.9
Andrew Beach, CFO	372.5	0.0%	372.5

2.2 Benefits and pension

There are no changes to benefits. The CEO and CFO receive a pension contribution of 5% of salary in line with the rate applying to the majority of the UK workforce.

2.3 2025 annual bonus including financial, shared and personal measures

The maximum annual bonus remains capped at 120% of base salary. One third of bonus is deferred in shares for two years. The bonus metrics and weightings for the 2025 annual bonus scheme are summarised in the table below. The overall balance between financial and strategic and personal objectives has been retained, however the Days Sales Outstanding metric has been removed as a standalone metric and will instead be measured under the personal objectives element. As the target ranges for each metric are considered to be commercially sensitive, they will be disclosed retrospectively in next year’s Directors’ remuneration report

Metric	Weighting	Measure	Sub-weighting	Link to strategy/notes
Group financial targets These are considered by the Committee to be the three most relevant financial KPIs for bonus purposes.	70%	Adjusted operating profit	50%	Operating profit is the key underlying measure of profitability used within the business.
		Group net fees	20%	Revenue less cost of sales. A broad indicator of trading.
Strategic objectives	15.0%	Employee engagement: Peakon-based relative outcome (against external comparators) requiring median to upper decile performance	5%	To build on our Employee Engagement score from 2024 and to maintain our excellent relative performance.
		Client penetration	5%	To evolve the profile of our client base towards a greater proportion of higher value clients.
		DE&I: Improved representation of women in senior roles	5%	Continuing to build towards our ambition of 50% representation of women in leadership roles.
Personal objectives	15.0%	Personal objectives	15%	Delivery versus agreed objectives to produce value or efficiency gains.
Total	100%		100%	

2.4 Long-Term Incentive Plan awards

LTIP awards to be granted in early 2025 will be granted over shares worth 150% of salary. Awards will vest on the third anniversary of grant, with a further two-year holding period on vested shares. Performance conditions will be based on EPS, TSR, operating profit conversion ratio, and an ESG metric, each applied independently, and there will be a straight-line sliding scale between threshold and maximum.

The EPS and Operating Profit Conversion Ratio target ranges have been carefully considered by the Committee and reflect the challenging market outlook over the performance period. The EPS range is ahead of current analyst consensus, which goes out to FY26 and the target ranges for both measures require a significant recovery in the business plan numbers for FY27, compared to FY25 and FY26. Overall, despite the ranges being lower than those set for awards in prior years, the Committee is satisfied that they represent an equivalent level of stretch.

The TSR performance period will be the three-year period from the date of grant of the award, anticipated to be mid-March, with the starting TSR calculation based on the average share price over the three-month period prior to grant. The rationale for this approach is explained in the Chair’s Statement.

These measures are considered to provide an effective link to the business KPIs and provide a strong long-term alignment of interest between Executives and shareholders. The ESG measure focused on long-term scope 1, 2 and 3 carbon emissions is linked to the science-based targets within our Board ESG strategy. The target ranges are currently being finalised and will be disclosed in the RNS announcement for the Directors’ LTIP awards.

For comparison, LTIP targets are summarised in the following table, for awards made in 2023 and 2024:

LTIP Weighting	EPS	TSR	OPCR%	ESG
2023–2025	50%	20%	20%	10% (5% for each measure)
2024–2026	50%	20%	20%	10% (5% for each measure)
2025–2027	50%	20%	20%	10% (5% for each measure)
2023–2025	EPS in 2025 to be between 55.8p (25% vesting) and 69.0p (100% vesting)	Between median (25% vesting) and upper quartile (100% vesting)	Adjusted operating profit conversion ratio in 2025 to be between 20.0% (25% vesting) and 23.5% (100% vesting)	Measuring carbon reduction across scope 1, 2 and 3 emissions. Incremental progress against 2030 milestones. 1) Scope 1 and 2 reduction: Between threshold 35% (25% vesting) and 45% (100% vesting). 2) Scope 3 reduction: Between threshold 20% (25% vesting) and 25% (100% vesting). Weighted equally as 5% of overall total.
2024–2026	EPS in 2026 to be between 50.0p (25% vesting) and 61.0p (100% vesting)	Between median (25% vesting) and upper quartile (100% vesting)	Adjusted operating profit conversion ratio in 2026 to be between 18.5% (25% vesting) and 22.0% (100% vesting)	Measuring carbon reduction across scope 1, 2 and 3 emissions. Incremental progress against 2030 milestones. 1) Scope 1 and 2 reduction: Between threshold 40% (25% vesting) and 50% (100% vesting). 2) Scope 3 reduction: Between threshold 20% (25% vesting) and 25% (100% vesting).
2025–2027	EPS in 2027 to be between 22p (25% vesting) and 38p (100% vesting)	Between median (25% vesting) and upper quartile (100% vesting)	Adjusted operating profit conversion ratio in 2027 to be between 14% (25% vesting) and 18% (100% vesting)	Targets currently being finalised and will be disclosed in the RNS announcement for the Directors’ LTIP awards.

Notes:
For the 2023–25 LTIP grant the TSR peer group comprises of the following 15 companies – Robert Half International, Randstad, Adecco Group, Asgn, Manpower Group, Korn Ferry, Hays, Page Group, Kforce, Amadeus Fire, Groupe Crit, Kelly Services ‘A’, Robert Walters, Brunel Intl., and Impellam Group.
For the 2024–26 LTIP grant, due to their sale, Impellam Group was removed from the TSR peer group resulting in a total of 14 companies. The peer group for the 2025–27 LTIP grant is unchanged from the 2024–26 LTIP grant.
The peer group for the 2025–27 LTIP grant is unchanged from the 2024–26 LTIP grant.

2.5 Non-Executive Directors (NEDs)

The Committee and Board reviewed the fee levels during the year taking into consideration market benchmarks, the responsibilities and time commitment required for the Chair and NEDs to fulfil their role.

This year it was agreed the Chair and NED fees should remain unchanged.

The fees for the Chairman and NEDs are as follows:

Role	2024 annual fee £’000	2025 annual fee £’000
Chair	179	179
NED base fee (x 4 in 2024 and 2025)	58	58
Committee Chair (Audit and Remuneration)	10	10
SID	10	10
Employee engagement NED	5	5
Total (Articles of Association limit is 750,000 per annum, increased from £500,000 subject to shareholder approval of updated Articles of Association at the 2025 AGM)	447	447

Section 3 – Directors’ interests in shares and broader context for Directors’ pay

- 3.1 Outstanding share awards held by Directors under LTIP and SAYE
- 3.2 Statement of Directors’ shareholdings
- 3.3 Total Shareholder Return (‘TSR’) performance of SThree over the last ten-year period
- 3.4 Historical levels of CEO remuneration and incentive plan pay-outs
- 3.5 Year-on-year percentage change in CEO remuneration compared to employees
- 3.6 CEO pay ratio
- 3.7 Relative importance of spend on all employees’ pay compared to dividend payments

3.1 Outstanding share awards held by Directors under LTIP and SAYE (audited)

Awards outstanding (including those granted in the year), comprising LTIP and SAYE (audited)

Executive Directors’ awards outstanding under the LTIP are set out in the table below. Awards are currently structured as conditional awards of shares.

Executive Director	Type of award	Dates of LTIP grant/award	Market price at grant/award	Shares originally awarded	Face value £	Vesting date	Remaining unvested at 30/11/2024¹
Timo Lehne	LTIP	23/02/2022	449	133,630	£599,998.70	23/02/2025	136,301
	LTIP	26/07/2022	395	18,945	£74,832.75	26/07/2025	19,246
	LTIP	09/03/2023	472	159,164	£751,254.00	09/03/2026	159,164
	LTIP	06/03/2024	416.5	213,915	£890,955.98	06/03/2027	213,915
Andrew Beach	LTIP	23/02/2022	449	117,886	£529,308.14	23/02/2025	120,242
	LTIP	09/03/2023	472	116,066	£547,832.00	09/03/2026	116,066
	LTIP	06/03/2024	416.5	155,992	£649,706.68	06/03/2027	155,992
	SAYE²	09/03/2022	380	4,740	£18,012.00	01/05/2025	4,740

- 1. Rolled-up dividend shares are included in the 2022 LTIP and they are adjusted for expected vesting based on performance.
- 2. SAYE exercise price was 379.72p which was at a 20% discount to the market value at grant.

3.2 Statement of Directors’ shareholdings (audited)

Under the remuneration policy Executive Directors must build and maintain a level of shares equivalent to at least 200% of base salary. Directors’ interests in the ordinary share capital of the Company as at the year end, or at the date of stepping down from the Board, are shown in the table below, including the interests of connected persons and any changes since the start of the year. There have been no changes since the year end and no Director had any other interest in the share capital of the Company or its subsidiaries, or exercised any option during the year, other than as disclosed.

Director	Ordinary shares held at 1 December 2023	Ordinary shares acquired	Ordinary shares disposed	Ordinary shares held at 30 November 2024¹	Indirect interest w/perf con (i.e. LTIP)²	Indirect interest w/o perf con (i.e. SIP)	Share Options (SAYE)	Shareholding requirement (% of salary)	Shareholding (% of 2024 salary)³
Timo Lehne	187,123	129,976	–	317,099	525,654	123	–	200%	222%
Andrew Beach	48,752	34,344	–	82,916	389,944	495	4,740	200%	80%
James Bilefield	15,000	–	–	15,000	–	–	–	–	–
Elaine O’Donnell	–	11,000	–	11,000	–	–	–	–	–
Imogen Joss	–	–	–	–	–	–	–	–	–
Denise Collis	5,000	–	–	5,000	–	–	–	–	–
Barrie Brien	1,594	–	–	1,594	–	–	–	–	–
Sanjeevan Bala	–	–	–	–	–	–	–	–	–

- 1. Includes Deferred Bonus Shares.
- 2. By reference to original award numbers.
- 3. The value has been calculated using a share price of 358p, being the share price on the last day of the financial year.

There have been no changes to the share interests of Directors between the end of FY24 and 28 January 2025, when this report was signed off.

3.3 Total Shareholder Return (‘TSR’) performance of SThree over the last ten-year period

The following graph shows the TSR of the Company, compared to the FTSE 350 Support Services and FTSE Small Cap indices. These are considered the most illustrative comparators for investors as the Company is or has been a constituent in the past of these indices.



3.4 Historical levels of CEO remuneration and incentive plan payouts

The table below shows historical levels of CEO total remuneration over a ten-year period, as well as annual bonus and LTIP vesting percentages over the same period.

Year	CEO	CEO total remuneration £'000	Annual bonus (% of maximum)	LTIP awards vesting (% of maximum)
2024	Timo Lehne	946.8	47.6%	16.2%
2023	Timo Lehne	946.0	18.5%	91.3%
2022	Timo Lehne¹	942.8	82.7%	50.8%
2022	Mark Dorman²	364.2	79.3%	50.8%
2021	Mark Dorman	1,533.1	83.3%	34.4%
2020	Mark Dorman	500.2	00.0%	n/a³
2019	Mark Dorman (appointed 18 March 2019)	629.1	55.7%	n/a⁴
2019	Gary Elden (stepped down 18 March 2019)	832.1	53.2%	63.5%
2018	Gary Elden	1,064.0	73.4%	18.8%
2017	Gary Elden	1,228.9	76.2%	41.0%
2016	Gary Elden	1,058.5	56.4%	50.0%
2015	Gary Elden	1,284.9	92.8%	50.0%

- 1. Timo Lehne was appointed as interim CEO on 1 January 2022 and permanent CEO from 28 April 2022.
- 2. Mark Dorman stepped down from the CEO role on 31 December 2021.
- 3. Mark Dorman was not eligible to receive the 2018–2020 LTIP award for which the performance period ended in 2020; the LTIP vested at 19.3% of maximum for participants.
- 4. Mark Dorman was not eligible to receive the 2017–2019 LTIP award for which the performance period ended in 2019; the LTIP vested at 71.8% of maximum for participants.

Annual report on remuneration continued

3.5 Year-on-year percentage change in Directors’ remuneration compared to employees

The table below shows the percentage change for each element of remuneration between FY24 and FY20 for Directors who served during each year, compared with all Group employees.

	FY24 vs FY23			FY23 vs FY22			FY22 vs FY21			FY21 vs FY20		
	Salary/ fees	Benefits	Annual bonus	Salary/ fees	Benefits	Annual bonus	Salary/ fees	Benefits	Annual bonus	Salary/ fees	Benefits	Annual bonus
Timo Lehne	2.0%	(2.8%)	162.8%	10.2%	16.2%	(75.3%)	n/a	n/a	n/a	–	–	–
Andrew Beach	2.0%	2.9%	249.5%	3.5%	9.0%	(76.8%)	n/a	n/a	n/a	n/a	n/a	n/a
James Bilefield	2.0%	–	–	3.5%	–	–	13.3%	–	–	7.1%	–	–
Elaine O’Donnell	1.9%	–	–	3.2%	–	–	n/a	–	–	–	–	–
Denise Collis	1.5%	–	–	2.4%	–	–	13.5%	–	–	7.1%	–	–
Barrie Brien ¹	n/a	–	–	(4.2%)	–	–	23.8%		–	–	7.1%	–
Sanjeevan Bala ²	n/a	–	–	–	–	–	–	–	–	–	–	–
Imogen Joss	2.2%	–	–	n/a	–	–	–	–	–	–	–	–
Average for all employees ³	11.8%	26.3%	0.1%	(1.2%)	(0.3%)	(22.1%)	13.8%	20.4%	(15.5%)	8.8%	(5.0%)	77.3%

Notes:
n/a: comparisons for the following Executives cannot be provided if they joined or left in the year or were not on the Board in the prior year.
1. Barrie Brien stood down from the Board in April 2024.
2. Sanjeevan Bala joined the Board in April 2024.
3. No employees other than Directors are in the listed parent Company therefore we have chosen to use Group employees.

Please see previous years’ reports for comments in relation to comparisons for prior years.

3.6 CEO Pay Ratio

The Committee has decided to use Option B in the relevant regulations to calculate the Chief Executive Officer pay ratio, using 2024 gender pay gap information to identify the three UK employees as the best equivalents of P25, P50 and P75. The Total Pay and Benefits for P25, P50 and P75 has been calculated based on full-time equivalent at 30 November 2024. This methodology was selected as the Committee believes this provides a more accurate and consistent calculation based on the information available at this time.

The following table sets out the CEO pay ratio at the median, 25th and 75th percentile.

Financial year	Method	25th percentile pay ratio	Median	75th percentile pay ratio
2024	Option B	27:1	16:1	15:1
2023	Option B	32:1	20:1	12:1
2022	Option B	40:1	22:1	14:1
2021	Option B	59:1	35:1	23:1
2020	Option B	22:1	19:1	10:1
2019	Option B	34:1	26:1	16:1
2018	Option B	39:1	24:1	20:1

The three employees used for the 2024 ratio are shown below:

	Employees’ salary (£)	Employees’ total remuneration (£)
Q 25 pay	31,639	35,660
Q 50 pay	44,708	57,816
Q 75 pay	58,800	61,766

The median 2024 ratio has decreased slightly compared to the prior year. The CEO’s total remuneration for 2024 comprises a broadly target payout under the annual bonus but significantly lower vesting under the LTIP this year compared to last year whilst employee total remuneration has increased at the 25th and 50th percentiles this year and decreased at the 75th percentile. The changes in employee remuneration at the three quartiles is as a result of a number of factors including, seniority and type of role and the incentive eligibility and outcomes for the role. The remuneration of the selected employees was reviewed to ensure that they were the best equivalents for each percentile.

The Committee is satisfied the median pay ratio is consistent with the pay, reward and progression policies for the Company’s employees. Workforce pay and reward policies across the Group are actively considered by the Committee when determining the Executive Director Remuneration Policy and its implementation each year to ensure that our approach to reward across the Group is aligned with our values.

3.7 Relative importance of spend on all employees’ pay compared to dividend payments

The table below sets out the change to the total employee remuneration costs compared with the change in dividends for 2024 compared to 2023. All figures are taken from the relevant sections of the Annual Report and Accounts.

Item	2024	2023	Change
Dividends	£15.9m	£27.4m	(42.0%)
Remuneration paid to employees (incl. Directors)	£234.7m	£255.0m	(8.0%)

Section 4 – Governance

- 4.1 The Committee and its advisers
- 4.2 Statements of voting at most recent AGMs
- 4.3 Approval

4.1 The Committee and its advisers

The Committee’s Terms of Reference (available at www.sthree.com) are reviewed periodically to align as closely as possible with the UK Corporate Governance Code (‘the Code’) and CGI best practice guidelines. During the year, the Committee comprised only independent NEDs, being Denise Collis (Chair), James Bilefield, Sanjeevan Bala, Imogen Joss and Elaine O’Donnell. The Committee therefore meets Code requirements to comprise at least three independent NEDs.

The Chief Executive Officer, Chief Financial Officer and the most senior HR representative attend meetings by invitation, excluding matters related to their own remuneration. The Committee met four times during the year for routine business, in addition to unscheduled meetings for specific items and no member of the Committee has any personal financial interest (other than as a shareholder) in the matters decided.

The Committee appointed Korn Ferry as its independent remuneration adviser in 2016, following a comprehensive review.

Fees paid to Korn Ferry for advice in relation to remuneration matters during the year were £71,838 (2023: £44,591) on a time spent basis, both excluding VAT. A representative from Korn Ferry attends each Remuneration Committee meeting and provides input into the papers. Korn Ferry are members of the Remuneration Consultants Group (‘RCG’) and comply with the RCG Code of Conduct. Korn Ferry has no other relationship with the Company and the Committee is satisfied that their advice was and is objective and independent.

4.2 Statements of voting at most recent AGMs

At the AGM held in April 2023, the following votes were cast in relation to the binding vote on the remuneration policy and at the AGM held in April 2024, the following votes were cast in relation to the advisory vote on the Directors’ Remuneration Report.

Resolution	For	%	Against	%	Withheld
Directors’ remuneration policy*	91,519,780	96.35	3,469,671	3.65	20,939
Directors’ remuneration report*	104,609,500	98.41	1,687,691	1.59	17,487

* Votes withheld are not counted in the % shown above.

4.3 Approval

This report was approved by the Board of Directors on the date shown below and signed on its behalf by:

Denise Collis
Chair of the Remuneration Committee
27 January 2025

Directors’ report

The Directors present their Annual Report and Accounts on the activities of the Company and the Group, together with the audited Consolidated Financial Statements for the year ended 30 November 2024.

The Board confirms that these, taken as a whole, are fair, balanced and understandable and that the narrative sections of the report are consistent with the financial statements and accurately reflect the Group’s strategy, performance and financial position. Where reference is made to other sections of the Annual Report and Accounts, these sections are incorporated into this report by reference. An overview of the principal risks and uncertainties faced by the Group is also provided in the Strategic Report on pages 2 to 93, along with the Company’s Section 172 statement.

These sections, together with the Governance (pages 94 to 107), Employee engagement (pages 108 to 113), Nomination Committee (pages 114 to 118), Audit & Risk Committee (pages 119 to 125) and Directors’ remuneration reports (pages 126 to 149), provide an overview of the Group, including on environmental and employee matters, and give an indication of future developments in the Group’s business, providing a balanced assessment of the Group’s position and prospects in accordance with the latest reporting requirements. The Group’s subsidiary undertakings, including branches outside the UK, are disclosed in note 25 to the financial statements, found on pages 208 to 209.

The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and Accounts and nothing in this Annual Report and Accounts should be construed as a profit forecast.

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company and the Group, including those that would threaten the business model, future performance, solvency and liquidity, and explained how they are being managed or mitigated (see analysis of key risks, mitigation and impact on strategy within the Strategic Report). Information on the Company, including legal form, domicile and registered office address is included in note 1 to the financial statements, on page 172.

Business operations and performance Business model
The Strategic Report provides information relating to the Group’s activities, its business model, governance, strategy, future developments and the principal risks and uncertainties faced by the business, including analysis using both financial and non-financial KPIs where necessary.

Results and dividends
Results and other key financial information for the year ended 30 November 2024 are set out in the financial statements, beginning on page 166.

The Group paid an interim dividend of 5.1 pence per share in December 2024 (FY23: 5.0 pence). The Directors have also recommended a final dividend of 9.2 pence per share to be paid in June 2025 (FY23: 11.6 pence) to shareholders on the register at the close of business on 9 May 2025.

Financial instruments
Information and policy in respect of financial instruments and financial risk management is set out in note 23 to the financial statements, together with information on price, credit and liquidity risks, on pages 203 to 208.

Research and development
The only expenditure incurred in the area of research and development relates to software and system development, which is shown in the notes to the financial statements.

Events occurring after the reporting period
On 19 December 2024, the Company announced its intention to launch a share buyback programme of up to £20 million. The share buyback programme commenced on 20 December 2024.

Essential contractors and implications following a change of control or takeover
The Group has business relationships with a number of clients and contractors but is not reliant on any single one. There are no significant agreements which the Company is party to that take effect, alter or terminate upon a change of control of the Company following a takeover offer, with the exception of the Citibank and HSBC Revolving Credit Facility agreements.

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a takeover, except that in the event of a takeover, provisions of the Group’s share plans and tracker share arrangements may cause options and, awards to vest or for tracker shares to be acquired.

Directors and their interests
The Directors of the Company, including their biographies and Board Committee composition, are shown within the Board of Directors section of this Annual Report and Accounts on pages 96 to 97.

All Directors served throughout the financial year, except for Sanjeevan Bala, who was appointed to the Board on 25 April 2024, and Barrie Brien, who retired as a Director on 25 April 2025.

In accordance with the UK Corporate Governance Code, all serving Directors will retire at the 2025 Annual General Meeting and submit themselves for re-election. Rules on the appointment and replacement of Directors are governed primarily by the Company’s Articles, the UK Corporate Governance Code and the Companies Act 2006.

Other than employment contracts, none of the Directors had a material interest in any contract with the Company or its subsidiary undertakings. Key terms of the Directors’ service contracts and interests in shares and options are disclosed in the Directors’ remuneration report on pages 126 to 149. Details of the gender and ethnic diversity of the Board of Directors can be found on page 117.

Directors’ indemnities, and Directors’ and Officers’ insurance
The Directors have the benefit of the indemnity provisions contained in the Company’s Articles, and the Company has maintained throughout the year Directors’ and Officers’ liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third-party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Conflicts of interest
The Board also confirms that there are appropriate procedures in place to ensure that its powers to authorise the Directors’ conflicts of interest are operated effectively. The Board maintains a register of all potential conflicts, which include external appointments, close family members and companies of which a Director maintains a significant shareholding.

Shareholders and share capital Share capital and share rights
SThree plc has a premium listing on the London Stock Exchange, and trades under the STEM ticker. As at 30 November 2024, the issued share capital of the Company was 135,606,792 ordinary shares of 1 pence each, which includes 35,767 shares held in treasury. Details of the share capital of the Company, together with movements during the year are shown in the notes to the financial statements. The rights and obligations attached to the Company’s ordinary shares are contained in the Articles. Shares acquired by employees under a Company share scheme rank equally with all other shares in issue.

Ordinary shares allow holders to receive dividends and to vote at general meetings of the Company. They also have the right to a return of capital on a winding-up.

There are no restrictions on the size of holding or the transfer of shares, which are both governed by the general provisions of the Company’s Articles and relevant legislation. Under the Articles, the Directors have the power to suspend voting rights and the right to receive dividends in respect of ordinary shares, as well as to refuse to register a transfer in circumstances where the holder of those shares fails to comply with a notice issued under Section 793 of the Companies Act 2006. The Directors also have the power to refuse to register any transfer of certificated shares that does not satisfy the conditions set out in the Articles.

The Company is not aware of any agreements between shareholders that might result in the restriction of transfer of voting rights in relation to the shares held by such shareholders.

Authority to issue or make purchases of own shares including as treasury shares and dilution
The Company is, until the date of the forthcoming AGM, generally and unconditionally authorised to issue and buy back a proportion of its own ordinary shares.

The Company’s policy is to comply with investor guidelines on dilution limits for its share plans by using a mixture of market-purchased and new-issue shares.

Some 2,340,585 shares were purchased in the market during the year at a cost of £10 million.

Purchases may be made for cancellation, to be held as treasury shares, or for the Employee Benefit Trust (EBT). The Company’s EBT has waived its right to dividends on shares held in the Trust account. The Directors will seek to renew the authority to purchase up to 10% of the Company’s issued share capital at the next AGM.

Substantial shareholdings
As at the date of this report, the Group has been notified, under the Financial Conduct Authority’s (FCA) Disclosure and Transparency Rules (DTR 5), of the significant interests in the ordinary share capital of the Company, shown below.

Name of holder	Number of shares	Percentage shareholding	Date of notification
Kempen	13,454,803	9.98%	10 November 2023
JO Hambro Capital Management	13,265,368	9.98%	1 July 2020
JP Morgan Asset Management	9,725,746	7.23%	11 December 2022
Allianz Global Investors GmbH	6,826,621	5.05%	3 September 2024
Littlejohn & Co	6,739,588	5.01%	6 July 2023
Montanaro Asset Management	3,996,375	2.95%	19 November 2024

The information provided above was correct at the date of notification. However, since notification of any change is not required until the next notifiable threshold is crossed, these holdings are likely to have changed. No Director held over 3% of the Company’s share capital.

In addition, the Companies Act 2006, s992 (13c) requires disclosure of persons with significant direct or indirect holdings of securities as at the year end. At the year-end we were aware of the following significant shareholdings:

Name of holder	Number of shares	Percentage shareholding	Nature of holding
Kempen Capital Management	17,292,044	12.75%	Indirect
JO Hambro Capital Management	9,918,338	7.32%	Indirect
JPMorgan Asset Management	8,822,061	6.51%	Indirect
Allianz Global Investors	6,835,365	5.04%	Indirect
BlackRock	6,830,803	5.04%	Indirect
Harris Associates	5,080,732	3.75%	Indirect
GLG Partners	4,214,518	3.11%	Indirect

Directors’ report continued

Annual General Meeting (AGM)

The AGM of the Company will be held on 29 April 2025, at 8 Bishopsgate, London, England, EC2N 4BQ. A separate Notice details all business to be transacted.

Governance, policies and stakeholders Information to be disclosed under LR 6.6.1R

Details of the disclosures to be made under Listing Rule 6.6.1R are listed below.

6.6.1R (3): Details of any long-term incentive schemes can be found in the Directors’ remuneration report, on pages 126 to 149.

Aside from the above, the other required disclosures are not applicable.

Related party transactions

Details of any related party transactions undertaken during the year are shown in the notes to the financial statements.

Corporate and social responsibility, including diversity, human rights and environmental matters

The Board pays due regard to environmental, health and safety, and employment responsibilities and devotes appropriate resources to monitoring compliance with, and improving, standards. The Chief Executive Officer has responsibility for these areas at Board level, ensuring that the Group’s policies are upheld and providing the necessary resources.

Further information on the Group’s diversity, human rights and anti-bribery and corruption policies, plus detail on environmental matters, including carbon emissions data, is contained in the ‘Strategic progress’ and ‘Responsible business’ sections of this Annual Report and Accounts, whilst information on employee share plans and share ownership is contained in the Directors’ remuneration report and the notes to the financial statements.

Section 172 and stakeholder engagement

Information about our stakeholders, including employees, suppliers and customers, and how the Board has engaged and considered their views in regard to principal decisions can be found in the Corporate Governance Report and within the Stakeholder engagement section on pages 54 to 59 and Employee engagement section on pages 108 to 113.

Health and safety

The Group is committed to providing for the health, safety and welfare of all current and potential employees. Every effort is made to ensure that all health and safety legislation, regulations or similar codes of practice, are complied with.

Equal opportunities

The Group is also committed to providing equal opportunities and employees are encouraged to train and develop their careers. Group policy is to offer the opportunity to benefit from fair employment, without regard to gender, sexual orientation, marital status, race, religion or belief, age or disability, and full and fair consideration is given to the employment of disabled persons for all suitable jobs.

In the event of any employee becoming disabled, every effort is made to ensure that employment continues within the existing or a similar role, and it is the Group’s policy to support disabled employees in all aspects of their training, development and promotion where it benefits both the employee and the Group.

Greenhouse gas emissions

The Board is conscious of the role that the business plays in building a greener future and its impact on the environment and is committed to our ambitious environmental goals. Details of the business’s carbon emissions can be found in the ‘Our commitment to being a responsible business’ section on pages 60 to 81.

Political donations

No donations for political purposes of any kind were made during the year (FY23: £nil).

Modern Slavery Act 2015: slavery and human trafficking statement

The Board of Directors has approved and published on its website its Modern Slavery Statement. This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for 2023. The Company’s Modern Slavery Act statement can be found on our website, www.sthree.com.

Championing human rights

Our Equal Opportunities Policy sets out clear expectations of how to conduct business in an ethical and transparent way, without compromising integrity and professionalism, and respecting the rights and dignity of all people.

Our focus is on ethical recruitment and working conditions at our sites, security, and community health and livelihoods.

Given that we also expect our business partners to respect these workplace values, our Code of Conduct promotes:

- ethical handling of actual or apparent conflicts of interest;
- compliance with applicable governmental laws, rules and regulations;
- complete, accurate, fair and balanced disclosure in reporting; and
- prompt internal reporting of violations.

Furthermore, ensuring candidates are placed within a fair and ethical workplace is a fundamental pillar in the recruitment process. We have a responsibility to all candidates we place to ensure that they are not subjected to bribery, corruption, exploitation, forced labour or modern slavery at the companies they join. Implementation of this is ensured through extensive training and the continuous education of our people. Employees, contractors or other third parties are required to immediately report any instances of unethical behaviour or suspicion of malpractice to a line manager, or a member of the Group HR Team, or the Speak Up whistleblowing line. Any breaches in human rights are reported to our Chief People Officer and, where required, to relevant authorities.

Independent auditors

Ernst & Young LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming AGM.

Audit fees and non-audit services in respect of EY’s 2024 audit are disclosed in the Audit & Risk Committee report, on page 124.

Statement of Directors’ responsibilities in respect of financial statements

The Directors are responsible for preparing the Annual Report and Accounts 2024 and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework (FRS 101), and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors’ remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors’ confirmations

The Directors consider that the Annual Report and Accounts 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group’s and Company’s position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the ‘Our Board’ section of this Annual Report and Accounts, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Directors’ report, together with the Strategic Report, Chair and other Officers’ sections of this Annual Report and Accounts, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors’ report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group’s and Company’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group’s and Company’s auditors are aware of that information.

Kate Danson

Company Secretary
For and on behalf of SThree plc
27 January 2025



Laser-focused on delivering results

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Independent auditors’ report to the members of SThree plc

Opinion

In our opinion:

- SThree plc’s group financial statements and parent company financial statements (the “financial statements”) give a true and fair view of the state of the group’s and of the parent company’s affairs as at 30 November 2024 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SThree plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 30 November 2024 which comprise:

Group	Parent company
Consolidated Income Statement for the year ended 30 November 2024	Statement of Financial Position as at 30 November 2024
Consolidated Statement of Comprehensive Income for the year ended 30 November 2024	Company Statement of Changes in Equity for the year then ended
Consolidated Statement of Financial Position as at 30 November 2024	Related notes 1 to 26 to the financial statements including material accounting policy information
Consolidated Statement of Changes in Equity for the year ended 30 November 2024	
Consolidated Statement of Cash Flows for the year ended 30 November 2024	
Related notes 1 to 26 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group and parent company’s ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management’s going concern process including the review controls in place over the preparation of the group’s going concern model;
- Assessing the appropriateness of the duration of the going concern assessment period to 31 January 2026 and considering the existence of any significant events or conditions beyond this period based on our knowledge arising from other areas of the audit;
- Obtaining management’s board approved forecast cash flows, forecast covenant calculations and sensitivities to 31 January 2026, ensuring the same forecasts are used elsewhere within the group for accounting estimates. We tested the models for arithmetical accuracy, as well as checking the net debt position at the year-end date which is the starting point for the model. We assessed the reasonableness of the cashflow forecasts by analysing management’s historical forecasting accuracy and by challenging management’s assumptions in preparing the forecasts;
- Performing independent reverse stress testing to understand how severe the downside scenarios would need be to result in negative liquidity or a covenant breach and assess the plausibility of the scenarios;
- Reviewing management’s assessment of controllable mitigating options available to the group to reduce cash flow spend in the going concern period, to determine whether such actions could be implemented by management, if required. We have obtained support to determine whether these were within the control of management and evaluated the impact of these mitigations in light of our understanding of the business and its cost structures;
- Reading the group’s borrowing facilities agreements, including the revolving credit facility and accordion facility to assess their continued availability to the group which are due to expire in July 2027;
- Reading the group’s borrowing facilities agreements to understand the covenant requirements. We tested that no covenants have been breached during the year to 30 November 2024 and there is no forecast covenant breach in either the base or severe but plausible downside scenarios during the going concern assessment period;
- Reviewing market data for indicators of potential contradictory evidence to challenge the company’s going concern assessment including review of profit warnings within the sector and review of industry analyst reports; and
- Considering whether management’s disclosures in the financial statements sufficiently and appropriately reflect the going concern assessment and outcomes.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company’s ability to continue as a going concern for a period through to 31 January 2026.

In relation to the group and parent company’s reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors’ statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group’s ability to continue as a going concern.

Overview of our audit approach

Audit scope	– We performed an audit of the complete financial information of 6 components and audit procedures on specific balances for a further 7 components.
	– The components where we performed full or specific audit procedures accounted for 87% of Profit before tax, 87% of Revenue and 89% of Total assets.
Key audit matters	– Appropriateness of the timing of revenue recognition around year-end.
	– Provision for impairment of trade receivable and contract assets.
	– Carrying value of investments in certain UK subsidiaries (Parent Company only).
Materiality	– Overall group materiality of £3.38m which represents 5% of profit before tax.

Independent auditors’ report continued

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent internal audit results when assessing the level of work to be performed at each company.

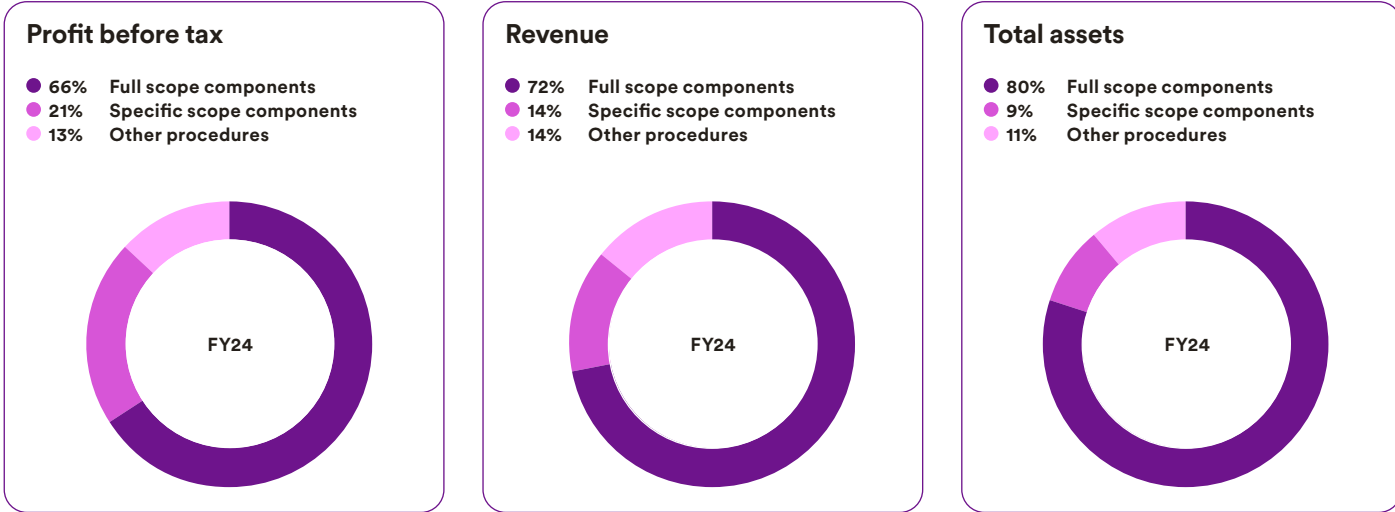
In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 102 reporting components of the group, we selected 13 components covering entities within France, Germany, Japan, the Netherlands, the United Kingdom and United States, which represent the principal business units within the group.

Of the 13 components selected, we performed an audit of the complete financial information of 6 components (“full scope components”) which were selected based on their size or risk characteristics. For the remaining 7 components (“specific scope components”), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 87% of the group’s Profit before tax, 87% of the group’s Revenue and 89% of the group’s Total assets. For the current year, the full scope components contributed 66% of the group’s Profit before tax, 72% of the group’s Revenue and 80% of the group’s Total assets. The specific scope component contributed 21% of the group’s Profit before tax, 14% of the group’s Revenue and 9% of the group’s Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the group.

Of the remaining 89 components that together represent 13% of the group’s Profit before tax, none are individually greater than 3% of the group’s Profit before tax. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations to respond to any potential risks of material misstatement to the group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit team.



Total assets

80%

Full scope components

9%

Specific scope components

11%

Other procedures

FY24

Involvement with component teams

All audit work performed for the purposes of the group audit was undertaken by the group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact SThree plc. The group has determined that the most significant future impacts from climate change on their operations will be transition and physical risks. These are explained on pages 72 to 77 in the required Task Force On Climate Related Financial Disclosures and on pages 82 to 89 in the principal risks and uncertainties. They have also explained their climate commitments on pages 79 to 80. All of these disclosures form part of the “Other information,” rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on “Other information”.

In planning and performing our audit we assessed the potential impacts of climate change on the group’s business and any consequential material impact on its financial statements.

The group has explained in their Basis of Preparation how they have reflected the impact of climate change in their financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements, given that the group is in a non-carbon intensive industry.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management’s assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 72 to 77 and whether these have been appropriately reflected following the requirements of the relevant accounting framework. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors’ considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Independent auditors’ report continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Appropriateness of the timing of revenue recognition around year-end (FY24: £1,492.9m, FY23: £1,663.2m)	Scoping: We performed full and specific scope audit procedures over this risk area in 7 locations, which covered 87% of the revenue balance. All audit work in relation to this key audit matter was performed by the group audit team. Tests of details: Our procedures included: <ul style="list-style-type: none">– We performed walkthroughs to obtain an understanding of the revenue recognition processes and evaluate the design effectiveness of key controls.– We performed detailed testing over the 12-month rolling average historical shrinkage rate calculation, including, testing the inputs to the calculation and recalculating the adjustment.– We validated the accuracy of management’s manual journal entry to record the shrinkage adjustment by agreeing to the shrinkage calculation.– We performed sensitivity analysis and lookback procedures over the shrinkage rate calculation.– To address the risk of management override, we performed journal entry testing over revenue, focusing on management-initiated entries and top-side adjustments specifically around year-end. For all other components which represent 13% of the revenue balance: We performed audit procedures centrally on a legal entity basis to address the risk of an undetected material error occurring in the group’s revenue. These comprised analytical review procedures over revenue.	We concluded that contract revenue and permanent placement revenue recognised is correctly recorded in accordance with the group’s revenue recognition criteria and UK-adopted international accounting standards.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Provision for impairment of trade receivable and contract assets (FY24: £8.7m, FY23: £8.6m)	Scoping: We performed audit procedures over this risk area centrally by the group audit team, which covered 100% of the risk amount. Audit procedures included: <ul style="list-style-type: none">– We performed a walkthrough to obtain an understanding of the impairment process and evaluate the design effectiveness of key controls.– We have reviewed and tested the integrity of the model used by management in calculating the expected credit losses to ensure that it is compliant with IFRS 9. These procedures included:<ul style="list-style-type: none">– Agreeing the historical data included in the model to source evidence.– Confirming the clerical accuracy of the model.– Individually assessing balances that have been selected as having a higher risk of default.– We considered management’s assumptions around the impact of the current and expected economic environment on the trade receivables and contract assets balances.– We applied sensitivities to management’s loss rates to evaluate the impact of changes in these rates on the provision recognised.– We performed a stand back analysis to assess the overall adequacy of the provision, including performing benchmarking across similar institutions.	We concluded that the provision for impairment of trade receivable and contract assets is correctly recorded in accordance with UK-adopted international accounting standards.
Refer to the Audit Committee Report (page 122); and Note 12 of the Consolidated Financial Statements (page 191 to 192).		
The group has reported a trade receivables balance of £268.8m (FY23: £245.5m) and a contract assets balance of £88.6m (FY23: £94.1m), with a provision for impairment of £8.7m (FY23: £8.6m).		
The provision for impairment represents management’s best estimate of expected credit losses (‘ECLs’) on trade receivables and contract assets at the reporting date.		
We have determined this to be a risk that the provision is misstated due to inappropriate judgements and estimates being applied by management.		
In estimating the expected credit losses, management takes into account the payment history of the receivables and the historical experience of credit losses, adjusted for factors specific to the customer. Management also make an assessment of both the current and expected economic environment at the year end.		
The key areas of measurement uncertainty and judgement related to the recognition of impairment of trade receivables and contract assets are as follows:		
<ul style="list-style-type: none">– the assumptions used to estimate the credit risk of the exposure and the customer’s expected future cash flows;– the identification of exposures with significant credit risk or default.		

Independent auditors’ report continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Carrying value of investments in certain UK subsidiaries (Parent Company only) (Impairment charge FY24: £46.5m, FY23: £0.1m)	Scoping: We performed audit procedures over this risk area centrally by the group audit team, which covered 100% of the risk amount. Audit procedures included: <ul style="list-style-type: none">– Performing a walkthrough to obtain an understanding of the impairment process, including, annual budgeting process, and evaluate the design effectiveness of key controls.– Evaluating management accounting policies and understanding of the methodology and material assumptions applied as part of the impairment assessment in accordance with IAS 36.– Performing historical look-back analysis to assess forecasting accuracy.– Engaging our valuation specialists to identify an independent range of acceptable outcomes for the discount rate based on external macroeconomic and market data.– Assessing the integrity of the impairment models through testing of the mechanical accuracy and evaluating the application of the input assumptions, including net fees.– Reviewing the market capitalisation of the group against the carrying value of investments. Disclosure: We assessed the appropriateness and completeness of the disclosures for compliance with IAS 36 in the parent company financial statements.	We confirmed that the impairment charge of £46.5m recognised for the UK business was appropriate. The UK impairment was driven predominantly by market conditions. We consider the disclosures in the financial statements to be appropriate.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.38 million, which is 5% of profit before tax. We believe that profit before tax provides us with a consistent measure of underlying year-on-year performance and the most relevant measure to the stakeholders of the group.

We determined materiality for the parent company to be £0.81 million, which is 1% of net assets. Where parent company balances were audited as part of the group audit, they were audited to an allocation of the group’s performance materiality.

The previous auditor determined materiality for the group to be £3.89 million, based on 5% of profit before tax, for the year ended 30 November 2023.

During the course of our audit, we reassessed initial materiality and amended it for final profit before tax figures.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group’s overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely £1.69m. We have set performance materiality at this percentage on the basis that this is our first year as auditors of the group.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.33m to £0.72m.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.17m, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. The change from prior year is due to the predecessor auditor setting the uncorrected audit difference threshold at 10% of planning materiality.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 153, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors’ remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors’ Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditors’ report continued

Corporate Governance Statement

We have reviewed the directors’ statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company’s compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors’ statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 90;
- Directors’ explanation as to its assessment of the company’s prospects, the period this assessment covers and why the period is appropriate set out on page 91;
- Director’s statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 92;
- Directors’ statement on fair, balanced and understandable set out on page 150;
- Board’s confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 150;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 82 to 89; and;
- The section describing the work of the audit committee set out on pages 120 to 125.

Responsibilities of directors

As explained more fully in the directors’ responsibilities statement set out on page 153, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, FRS 101, the Companies Act 2006 and UK Corporate Governance Code) and relevant tax compliance regulations in the jurisdictions in which the group operates. In addition, we concluded that there are certain laws and regulations which may have an effect on the determination of amounts and disclosures in the financial statements being the Listing Rules of the UK Listing Authority. There are no significant, industry specific laws or regulations that we considered in determining our approach.
- We understood how SThree plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Board and Audit Committee.
- We assessed the susceptibility of the group’s financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered the programmes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of legal counsel, group management, internal audit; reading correspondence with regulators and engaging with internal specialists as required. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the company on 25 April 2024 to audit the financial statements for the year ended 30 November 2024 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is one year, covering the year ended 30 November 2024.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola McIntyre (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
27 January 2025

Consolidated Income Statement

for the year ended 30 November 2024

£'000	Note	2024	2023
Revenue	2	1,492,906	1,663,167
Cost of sales	2	(1,123,827)	(1,244,392)
Net fees	2	369,079	418,775
Administrative expenses	3	(301,972)	(336,076)
Impairment losses on financial assets	12	(913)	(6,343)
Operating profit		66,194	76,356
Finance income	5	2,891	2,257
Finance costs	5	(1,445)	(698)
Profit before income tax		67,640	77,915
Income tax expense	6	(17,948)	(21,864)
Profit for the year attributable to the owners of the Company		49,692	56,051
Earnings per share attributable to shareholders pence			
Total Group			
Basic	7	37.4	42.4
Diluted	7	37.1	41.5

The accompanying notes form an integral part of this Consolidated Income Statement.

Consolidated Statement of Comprehensive Income

for the year ended 30 November 2024

£'000	Note	2024	2023
Profit for the year		49,692	56,051
Other comprehensive loss			
Items that may be subsequently reclassified to income statement:			
Exchange differences on retranslation of foreign operations		(4,304)	(1,437)
Other comprehensive loss for the year (net of tax)		(4,304)	(1,437)
Total comprehensive income for the year attributable to owners of the Company		45,388	54,614

The accompanying notes form an integral part of this Consolidated Statement of Comprehensive Income.

SThree plc (the Company) has elected to take the exemption under Section 408 of the Companies Act 2006 not to present an income statement and statement of comprehensive income for the parent Company.

Statements of Financial Position
as at 30 November 2024

		Consolidated		Company	
		30 November 2024	30 November 2023	30 November 2024	30 November 2023
£'000	Note				
ASSETS					
Non-current assets					
Property, plant and equipment	9	46,217	31,116	–	–
Intangible assets	10	12,122	7,066	–	–
Investments	11	–	–	184,720	223,625
Deferred tax assets	18	3,408	5,799	–	136
Total non-current assets		61,747	43,981	184,720	223,761
Current assets					
Trade and other receivables	12	364,907	345,120	66	819
Current tax assets		10,315	–	27,292	15,542
Cash and cash equivalents	13	69,756	83,202	82	12
Total current assets		444,978	428,322	27,440	16,373
Total assets		506,725	472,303	212,160	240,134
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	1,356	1,349	1,356	1,349
Share premium		42,098	39,700	42,098	39,700
Other reserves		(7,195)	(3,597)	(6,196)	(6,889)
Retained earnings		212,385	185,432	44,353	118,401
Total equity		248,644	222,884	81,611	152,561
Current liabilities					
Bank overdraft	13	88	–	–	–
Trade and other payables	14	198,223	200,132	130,538	87,573
Lease liabilities	15	10,419	11,297	–	–
Provisions	17	4,068	7,373	–	–
Current tax liabilities		12,275	10,746	–	–
Total current liabilities		225,073	229,548	130,538	87,573
Non-current liabilities					
Lease liabilities	15	29,362	17,720	–	–
Provisions	17	2,784	2,151	–	–
Deferred tax liabilities	18	862	–	11	–
Total non-current liabilities		33,008	19,871	11	–
Total liabilities		258,081	249,419	130,549	87,573
Total equity and liabilities		506,725	472,303	212,160	240,134

The accompanying notes form an integral part of these Statements of Financial Position.

The Company’s loss after tax for the year was £55.1 million (FY23: loss after tax of £9.3 million).

The financial statements on pages 166 to 171 were approved by the Board of Directors on 27 January 2025 and signed on its behalf by:

Andrew Beach

Chief Financial Officer

Company registered number: 03805979

Consolidated Statement of Changes in Equity
for the year ended 30 November 2024

										Total equity attributable to owners of the Company
£'000	Note	Share capital	Share premium	Capital redemption reserve	Capital reserve	Treasury reserve	Currency translation reserve	Fair value reserve of equity investments	Retained earnings	
Balance at 1 December 2023		1,349	39,700	172	878	(7,939)	3,305	(13)	185,432	222,884
Profit for the year		–	–	–	–	–	–	–	49,692	49,692
Other comprehensive loss for the year		–	–	–	–	–	(4,304)	–	–	(4,304)
Total comprehensive (loss)/income for the year		–	–	–	–	–	(4,304)	–	49,692	45,388
Transfer of loss on disposal of equity investments through other comprehensive income to retained earnings		–	–	–	–	–	–	13	(13)	–
Dividends paid to equity holders		–	–	–	–	–	–	–	(15,860)	(15,860)
Distributions payable to tracker shareholders		–	–	–	–	–	–	–	(44)	(44)
Settlement of vested and unvested tracker shares		19(a)	5	1,901	–	–	3,324	–	(4,167)	1,063
Settlement of share-based payments		19(a)	2	497	–	–	7,369	–	(7,539)	329
Purchase of shares by Employee Benefit Trust		19(a)	–	–	–	–	(10,000)	–	–	(10,000)
Credit to equity for equity-settled share-based payments		19(b)	–	–	–	–	–	–	4,894	4,894
Current and deferred tax on share-based payment transactions		6,18	–	–	–	–	–	–	(10)	(10)
Total movements in equity			7	2,398	–	–	693	(4,304)	13	26,953
Balance at 30 November 2024			1,356	42,098	172	878	(7,246)	(999)	–	212,385
Balance at 1 December 2022			1,345	38,239	172	878	(6,581)	4,742	(13)	161,610
Profit for the year			–	–	–	–	–	–	56,051	56,051
Other comprehensive loss for the year			–	–	–	–	(1,437)	–	–	(1,437)
Total comprehensive (loss)/income for the year			–	–	–	–	(1,437)	–	56,051	54,614
Dividends paid to equity holders		8	–	–	–	–	–	–	(27,373)	(27,373)
Distributions to tracker shareholders			–	–	–	–	–	–	(94)	(94)
Settlement of vested and unvested tracker shares		19(a)	3	1,198	–	–	3,987	–	(4,795)	393
Settlement of share-based payments		19(a)	1	263	–	–	4,655	–	(4,870)	49
Purchase of shares by Employee Benefit Trust		19(a)	–	–	–	–	(10,000)	–	–	(10,000)
Credit to equity for equity-settled share-based payments		19(b)	–	–	–	–	–	–	4,871	4,871
Current and deferred tax on share-based payment transactions		6,18	–	–	–	–	–	–	32	32
Total movements in equity			4	1,461	–	–	(1,358)	(1,437)	–	23,822
Balance at 30 November 2023			1,349	39,700	172	878	(7,939)	3,305	(13)	185,432

The accompanying notes form an integral part of this Consolidated Statement of Changes in Equity.

Company Statement of Changes in Equity

for the year ended 30 November 2024

£'000	Note	Share capital	Share premium	Capital redemption reserve	Capital reserve	Treasury reserve	Retained earnings	Total equity attributable to owners of the Company
Balance at 1 December 2023		1,349	39,700	172	878	(7,939)	118,401	152,561
Total comprehensive loss for the year		–	–	–	–	–	(55,137)	(55,137)
Dividends paid to equity holders		–	–	–	–	–	(15,860)	(15,860)
Settlement of vested tracker shares	19(a)	5	1,901	–	–	3,324	(399)	4,831
Settlement of share-based payments	19(a)	2	497	–	–	7,369	(7,539)	329
Purchase of shares by Employee Benefit Trust	19(a)	–	–	–	–	(10,000)	–	(10,000)
Credit to equity for equity-settled share-based payments		–	–	–	–	–	4,894	4,894
Current and deferred tax on share-based payment transactions	18	–	–	–	–	–	(7)	(7)
Total movements in equity		7	2,398	–	–	693	(74,048)	(70,950)
Balance at 30 November 2024		1,356	42,098	172	878	(7,246)	44,353	81,611
Balance at 1 December 2022		1,345	38,239	172	878	(6,581)	155,553	189,606
Total comprehensive loss for the year		–	–	–	–	–	(9,264)	(9,264)
Dividends paid to equity holders	8	–	–	–	–	–	(27,373)	(27,373)
Settlement of vested tracker shares	19(a)	3	1,198	–	–	3,987	(511)	4,677
Settlement of share-based payments	19(a)	1	263	–	–	4,655	(4,870)	49
Purchase of shares by Employee Benefit Trust	19(a)	–	–	–	–	(10,000)	–	(10,000)
Credit to equity for equity-settled share-based payments		–	–	–	–	–	4,871	4,871
Current and deferred tax on share-based payment transactions	18	–	–	–	–	–	(5)	(5)
Total movements in equity		4	1,461	–	–	(1,358)	(37,152)	(37,045)
Balance at 30 November 2023		1,349	39,700	172	878	(7,939)	118,401	152,561

The accompanying notes form an integral part of this Company Statement of Changes in Equity.

Consolidated Statement of Cash Flows

for the year ended 30 November 2024

£'000	Note	2024	2023 (restated*)
Cash flows from operating activities			
Profit before tax		67,640	77,915
Adjustments for:			
Depreciation and amortisation charge	9,10,15	15,254	15,914
Loss on disposal of property, plant and equipment other than right-of-use assets	9	135	160
Gain on lease modification	9	(69)	–
Finance income	5	(2,891)	(2,257)
Finance costs	5	1,445	698
Gain on disposal of subsidiary	3	(135)	–
Non-cash charge for equity-settled share-based payments	19(b)	4,986	4,871
Operating cash flows before changes in working capital and provisions		86,365	97,301
(Increase)/decrease in receivables		(28,382)	3,636
Increase/(decrease) in payables		3,667	(11,821)
Decrease in provisions		(1,861)	(2,220)
Cash generated from operations		59,789	86,896
Interest received	5	2,891	2,257
Income tax paid		(23,002)	(19,495)
Net cash generated from operating activities		39,678	69,658
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(6,830)	(1,975)
Purchase of intangible assets	10	(6,339)	(6,237)
Net cash used in investing activities		(13,169)	(8,212)
Cash flows from financing activities			
Interest paid	15,16	(1,445)	(698)
Lease principal payments	15,16	(13,111)	(14,250)
Proceeds from exercise of share options		499	264
Purchase of shares by Employee Benefit Trust	19(a)	(10,000)	(10,000)
Dividends paid to equity holders	8	(15,860)	(20,990)
Distributions to tracker shareholders		–	(94)
Net cash used in financing activities		(39,917)	(45,768)
Net (decrease)/increase in cash and cash equivalents		(13,408)	15,678
Cash and cash equivalents at beginning of the year		83,202	65,386
Exchange (losses)/gains relating to cash and cash equivalents		(126)	2,138
Net cash and cash equivalents at end of the year		69,668	83,202

* Certain amounts shown here do not correspond to the FY23 financial statements and reflect the restatement made. Refer to note 1 to the Consolidated Financial Statements for further information.

The accompanying notes form an integral part of this Consolidated Statement of Cash Flows.

Notes to the financial statements
for the year ended 30 November 2024

1 Basis of preparation and consolidation

General information

SThree plc is a public limited company, limited by shares, listed on the London Stock Exchange, incorporated in the United Kingdom and domiciled in the United Kingdom, and registered in England and Wales. Its registered office is Level 16, 8 Bishopsgate, London, EC2N 4BQ.

The business model, activities, locations of SThree plc (the Company) and its subsidiaries (together the Group) are set out further in the Strategic Report of this Annual Report and Accounts.

Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards (IAS) and in accordance with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Group’s material accounting policies are set out across the following notes to the accounts and were applied consistently throughout the year and preceding year.

The Consolidated Financial Statements have been prepared under the historical cost basis of accounting, as modified by financial assets held at fair value through profit or loss or held at fair value through other comprehensive income.

The Consolidated Financial Statements are presented in Sterling, the functional currency of SThree plc. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Sterling unless otherwise stated.

The Company-only Financial Statements have been prepared under the historical cost convention, in accordance with Financial Reporting Standard 101 (FRS 101) *Reduced Disclosure Framework* as issued by the Financial Reporting Council. As permitted by Section 408 of the Companies Act 2006, the Company’s income statement and statement of comprehensive income have not been presented. The Company, as permitted by FRS 101, has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, certain disclosures regarding the Company’s capital, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, certain related party transactions and the effect of future accounting standards not yet adopted. Where required, equivalent disclosures are provided in the Consolidated Financial Statements of SThree plc.

The material accounting policies and significant judgements and key estimates, including those applied in the individual going concern assessment relevant to the Company, are the same as those set out in this note 1 to the SThree Group Consolidated Financial Statements.

Going concern

The Consolidated and Company-only Financial Statements have been prepared on a going concern basis. The Directors have reviewed the Group’s cash flow forecasts, considered the assumptions contained in the budget, and considered associated principal risks which may impact the Group’s performance over the going concern assessment period to 31 January 2026.

At 30 November 2024, the Group had no debt except for lease liabilities of £39.8 million. Credit facilities relevant to the review period comprise a committed £50.0 million Revolving Credit Facility (RCF) (with the expiry date of 26 July 2027) and an uncommitted £30.0 million accordion facility, both jointly provided by HSBC and Citibank. All these facilities remained undrawn on 30 November 2024. A further uncommitted £5.0 million bank overdraft facility is also held with HSBC, of which £0.1 million (FY23: £nil) was drawn at the year end.

In addition, the Group has £69.7 million of 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.

The assessment of going concern is further described in the Strategic Report as part of the Compliance information under the heading ‘Going concern statement’ on page 90 which is incorporated by reference into these financial statements. Based on this evaluation, the Directors have formed a judgement that the Group has adequate resources to continue in operational existence for the period to 31 January 2026, and considered it appropriate to prepare them on the going concern basis.

Climate change consideration

Climate change is a significant issue for the world and the transition to a low-carbon economy will create both risks and opportunities for the Group. The management team has considered the impact of climate change in preparing the Consolidated Financial Statements, particularly in the context of the risks identified in the TCFD Report on pages 68 to 81. These considerations, which are integral to the Group’s strategy, are not viewed to be key areas of judgements or sources of estimation uncertainty in the current financial year.

The management team considered the impact from climate change on the following areas:

- The going concern and viability of the Group over the next five years, including the potential impact of climate-related risks, such as SThree’s offices impacted by heightened physical risks affecting our operational ability to place contractors and service the existing contracts, resulting in lower revenue and income. This is subject to the ongoing assessment by the management team performed using three climate-related scenarios for 2024–2040. The assessment helps to continually test SThree’s strategic resilience and its flexibility to adapt operations to ever-changing risks and opportunities as a consequence of climate change to drive continued growth.
- Useful lives of fixed assets: the impact of climate change is not considered to be material on our existing asset base including on factors like residual values, useful lives and depreciation methods which determine the carrying value of non-current assets. Although the Group invests in low-carbon technology as part of its net zero commitment, there is no immediate risk of material adjustment to the carrying values of the existing assets in the next financial year’s results. Over the course of our net zero path, the existing fixed assets are expected to be fully depreciated within the next five to seven years.
- Recoverability of trade receivables and contract assets: the impact of climate-related matters could have an impact on the Group’s clients in the future, especially, clients whose businesses/operations could be negatively affected by the introduction of emission-reduction legislation, energy transition plans or by extreme weather and other physical conditions, which could lead to increase in manufacturing costs, dilapidation of their asset base and their ability to pay debts. No material climate-related issues have arisen during the current year that have impacted our assessment of the recoverability of receivables. Given the short-term maturity of trade receivables including contract assets, climate change is unlikely to materially increase our credit risk.
- Share-based payments: some performance conditions of the Long-Term Incentive Plan (LTIP) for members of the Executive Committee are linked and measured against ESG metrics since the 2022 financial year. This could impact the future amount of the recognition of the share-based payment expense in the Group income statement. However, as the ESG-related performance condition constitutes 10% of each grant, the impact is low.
- Segmental reporting: in our response to climate change and transition to a net zero target, there has not been any change to the management information provided to, and reviewed by, the chief operating decision maker each month.

Whilst there is currently no material medium-term impact expected from climate change, the management team is aware of the ever-changing risks and will continue to regularly monitor these risks against judgements and estimates made in preparation of the Group’s financial statements.

Prior year restatement

During the year, the FRC’s Corporate Reporting Review Team (CRRT) reviewed the Group’s FY23 financial statements. The FRC sought clarification on the recognition and disclosure of the FY22 interim dividend £6.4 million, which was declared in July 2022 but only paid to shareholders at the start of the subsequent financial year (8 December 2022). This review resulted in the Group restating the comparatives for the year ended 30 November 2023 in these financial statements to correct a presentation error of the FY22 interim dividend in the FY23 Consolidated Statement of Cash Flows. The FRC has subsequently closed its review.

Funds transferred to the share administrator before 30 November 2022 were presented in operating cash flows in the Consolidated Statement of Cash Flows for the year ended 30 November 2022. The cash flow was a partial prepayment of the interim dividend paid in December 2022. Consequently, the Directors have determined that this cash flow should have been reflected in financing activities in the Consolidated Statement of Cash Flows for the year ended 30 November 2022 rather than in the year to 30 November 2023 as previously presented.

The cash balance for FY23 was not misstated.

Notes to the financial statements continued
for the year ended 30 November 2024

1 Basis of preparation and consolidation continued

Basis of preparation continued

Prior year restatement continued

The error has been corrected by restating each of the affected line items in the FY23 Consolidated Statement of Cash Flows, as follows:

£'000	2023	(Decrease)/ increase)	2023 (restated)
Impact on the Consolidated Statement of Cash Flows			
Cash flows from operating activities			
Decrease in receivables	10,019	(6,383)	3,636
Cash generated from operations	93,279	(6,383)	86,896
Net cash generated from operating activities	76,041	(6,383)	69,658
Cash flows from operating activities			
Dividends paid to equity holders	(27,373)	6,383	(20,990)
Net cash used in financing activities	(52,151)	6,383	(45,768)

Accounting policies

The accounting policies used in the preparation of the Consolidated Financial Statements are consistent with those applied in the previous financial year, except for the adoption of new and amended standards effective as of 1 December 2023 as set out below.

New and amended standards effective in 2024 and adopted by the Group

The following amendments to the accounting standards, issued by the IASB and endorsed by the UK and EU, have been adopted by the Group and became applicable as of 1 December 2023. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

- Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements* and IFRS *Practice Statement 2*).
- Definition of Accounting Estimates (Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*).
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12 *Income Taxes*).
- IFRS 17 *Insurance Contracts*.

New and amended standards that are applicable to the Group but not yet effective

As at the date of authorisation of this Annual Report and Accounts, the following amendments to existing standards were in issue and endorsed by the UKEB, but not yet effective. These changes are effective for the STthree’s financial year beginning 1 December 2024. These amendments are not expected to have a material impact on the Group in the current or future financial years.

- New disclosure requirements for characteristics of supplier finance arrangements (Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*).
- New requirements for measuring lease liability arising in a sale and leaseback transaction (Amendments to IFRS 16 *Leases*).
- New classification requirements for liabilities as current or non-current (Amendments to IAS 1 *Presentation of Financial Statements*).

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Group’s significant accounting policies relating to specific financial statement items are set out under the relevant notes. Accounting policies that affect the financial statements as a whole and a description of the accounting estimates and judgements are set out below.

Basis of consolidation

The Consolidated Financial Statements of the Group include the financial statements of the Company and all its subsidiaries. Subsidiaries are fully consolidated from the date on which the Group obtains control. The Group has control when it has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are deconsolidated from the date on which that control ceases.

Uniform accounting policies are adopted across the Group. All intra-group balances and transactions, including unrealised profits and losses arising from intra-group transactions, are eliminated on consolidation.

Foreign currencies and translation

Functional and presentation currency

Items included in the financial statements of each Group subsidiary are measured using the currency of the primary economic environment in which that subsidiary operates (its functional currency).

Transactions and balances

Foreign currency transactions are translated using exchange rates at the date of the transactions. Any exchange gain or loss from settlement of these transactions or translation at the period end are recognised in the income statement.

Consolidation

On consolidation, the subsidiaries’ assets and liabilities denominated in foreign currencies are translated into Sterling at the rates ruling at the reporting date. The results of foreign subsidiaries are translated into Sterling at average rates of exchange for the period and the exchange differences arising on translation are recognised in Other Comprehensive Income. Any exchange differences which have arisen from an entity’s investment in a foreign subsidiary, including long-term loans, are recognised as a separate component of equity and are included in the Group’s currency translation reserve (CTR). When a foreign operation is sold, such exchange differences are reclassified from CTR to the Consolidated Income Statement to form part of the gain or loss on disposal.

Critical accounting judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements

Details of critical accounting judgements which could have a significant impact upon the financial statements are set out in the related notes as follows:

- (i) Tracker shares arrangements (refer to note 11 *Investments*).
- (ii) Indicators of impairment of investments in subsidiaries (Company only) (refer to note 11 *Investments*).

Critical accounting estimates

The assumptions and estimates at the end of the current reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out in the related note as follows:

- (i) Revenue recognition (refer to note 2 *Operating segments*).
- (ii) Impairment of investments in subsidiaries (Company only) (refer to note 11 *Investments*).

Other areas of judgement and accounting estimates

The Consolidated Financial Statements include other area of judgement and accounting estimates. While this area does not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer-term uncertainties. The other area of judgement and accounting estimates is:

- (i) Provisions in respect of recoverability of trade receivables and contract assets, otherwise referred to as ‘allowance for expected credit losses’.

As described in note 12 *Trade and other receivables*, provisions for impairment of trade receivables and contract assets have been made. In reviewing the appropriateness of these provisions, consideration has been given to the ageing of the debt and the potential likelihood of default, taking into account current and future economic conditions.

Notes to the financial statements continued
for the year ended 30 November 2024

2 Operating segments

Accounting policy
Revenue

Revenue from contracts with customers is recognised when or as the Group satisfies a performance obligation by transferring service to a client. For Contract placements, the Group satisfies its performance obligations over time.

Contract revenue for the supply of professional services, which is mainly based on the number of hours worked by a contractor, is recognised when the service has been provided. Revenue earned but not invoiced at year end is accrued and included in ‘Contract assets’. The management team applies the historical shrinkage rate to Contract assets, aimed at preventing the over-recognition of revenue.

For Permanent placements, the Group principally satisfies its performance obligations at a point in time. Revenue from Permanent placements is typically based on a fixed percentage of the candidate’s remuneration package and is recognised when the candidate commences employment.

Revenue from retained assignments is recognised on completion of certain pre-agreed stages of the service. Fees received for the service are non-refundable.

Revenue is shown net of value added tax and other sales-related taxes, credit notes, rebates and discounts and after elimination of sales within the Group.

Cost of sales

Cost of sales consists of the contractors’ (including employed contractors) cost of supplying services and any costs directly attributable to them.

Net fees

Net fees represent revenue less cost of sales and consist of the total placement fees of Permanent candidates and the margin earned on the placement of contractors.

Critical accounting estimates
Revenue recognition (Contract assets)

Contract revenue is recognised when the supply of professional services has been rendered. This includes an assessment of professional services received by the client for services provided by contractors between the date of the last received timesheet and the year end.

Revenue is accrued (known as Contract assets) for contracts which are valid in the period, but where no timesheet has been received or approved, and therefore billing and payments to contractors have not taken place. The value of unsubmitted/ unapproved timesheets for each individual contractor is system generated and the number of hours worked by each contractor is adjusted for expected holidays and the historical shrinkage rate.

The key estimation uncertainty arises from determining the historical shrinkage rate in relation to Contract assets at the reporting date. The historical shrinkage rate is primarily caused by contractors working less hours than expected, mostly due to public holidays, bridging days, annual leave and sick days and represents a full-year (12-month rolling) average pattern in which revenue recognised for expected timesheets is reduced versus the actual timesheets received and approved each month.

In FY24, the average shrinkage rate was approximately 13.7% across the Group (FY23: 12.8%).

A 10% increase in this key assumption could have an impact of approximately £0.2 million on the amount of Contract net fees (£1.1 million on revenue less £0.9 million on costs of sales) in the Consolidated Income Statement in the next financial year.

The Group’s operating segments are established on the basis of those components of the Group that are regularly reviewed by the Group’s chief operating decision-making body, in deciding how to allocate resources and in assessing performance. The Group’s business is considered primarily from a geographical perspective.

The Directors have determined the chief operating decision-making body (CODM) to be the Executive Committee made up of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Commercial Officer, the Chief People Officer and Regional Managing Directors, with other senior management attending via invitation.

The Group also presents separately the net fees of its five key markets: Germany, the Netherlands, the USA, the UK and Japan, as well as a breakdown of net fees per Contract and Permanent, referred to as ‘service mix’.

DACH region comprises Austria, Germany and Switzerland. Rest of Europe comprises the UK, Belgium and France, and Middle East & Asia includes Japan and the UAE.

Countries aggregated into DACH, Rest of Europe, Netherlands (including Spain), and separately into Middle East & Asia have similar economic risks and prospects, i.e. they are expected to generate similar average gross margins over the long term, and are similar in each of the following areas:

- the nature of the services (recruitment/candidate placement);
- the class of candidates (candidates, who we place with our clients, represent skill-sets in Sciences, Technology, Engineering and Mathematics disciplines); and
- the methods used in which they provide services to clients (independent contractors, employed contractors and permanent candidates).

The Group’s management reporting and controlling systems use accounting policies that are the same as these described in these financial statements and the accompanying notes.

Revenue, cost of sales and net fees by reportable segment

The Group assesses the performance of its operating segments through a measure of segment profit or loss which is referred to as ‘net fees’ in the management reporting and controlling systems. Net fees is the measure of segment profit comprising revenue less cost of sales.

£'000	Revenue		Cost of sales		Net fees	
	2024	2023	2024	2023	2024	2023
DACH	456,051	524,732	328,505	375,807	127,546	148,925
Rest of Europe	353,150	399,862	291,836	329,423	61,314	70,439
Netherlands including Spain	343,571	367,643	265,039	285,494	78,532	82,149
USA	299,229	328,293	217,195	231,883	82,034	96,410
Middle East & Asia	40,905	42,637	21,252	21,785	19,653	20,852
	1,492,906	1,663,167	1,123,827	1,244,392	369,079	418,775

Split of revenue from contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following geographical regions:

2024 £'000	DACH	Rest of Europe	Netherlands including Spain	USA	Middle East & Asia	Total
Timing of revenue recognition						
Over time	427,228	351,135	334,802	290,774	27,194	1,431,133
At a point in time	28,823	2,015	8,769	8,455	13,711	61,773
	456,051	353,150	343,571	299,229	40,905	1,492,906

2023 £'000	DACH	Rest of Europe	Netherlands including Spain	USA	Middle East & Asia	Total
Timing of revenue recognition						
Over time	483,491	396,354	358,122	316,866	29,382	1,584,215
At a point in time	41,241	3,508	9,521	11,427	13,255	78,952
	524,732	399,862	367,643	328,293	42,637	1,663,167

Major customers

In FY24 and FY23, no single customer generated more than 10% of the Group’s revenue.

Notes to the financial statements continued
for the year ended 30 November 2024

2 Operating segments continued

Split of revenue from contracts with customers continued

Other information

The following segmental analysis has been included as additional disclosure to the requirements of IFRS 8 *Operating Segments*.

The Group’s revenue from external customers, its net fees and information about its segment assets (non-current assets excluding deferred tax assets) by key location are detailed below:

£'000	Revenue		Cost of sales		Net fees	
	2024	2023	2024	2023	2024	2023
Germany	393,850	453,537	282,082	322,662	111,768	130,875
Netherlands	318,665	350,295	247,706	273,222	70,959	77,073
USA	299,229	328,293	217,195	231,883	82,034	96,410
UK	226,904	263,461	188,575	218,508	38,329	44,953
Japan	13,356	10,813	2,764	1,496	10,592	9,317
RoW ¹	240,902	256,768	185,505	196,621	55,397	60,147
	1,492,906	1,663,167	1,123,827	1,244,392	369,079	418,775

£'000	30 November 2024	30 November 2023
Non-current assets		
UK	28,334	11,458
Germany	13,887	11,891
USA	7,553	2,687
Netherlands	4,245	5,678
Japan	1,792	2,730
RoW ¹	2,528	3,738
	58,339	38,182

1. RoW (Rest of World) includes all countries other than listed.

Non-current assets do not include Deferred Tax Assets as they are not reviewed by the CODM.

The following segmental analysis by brands, recruitment classification and sectors (being the profession of candidates placed) have been included as additional disclosure to the requirements of IFRS 8 *Operating segments*.

£'000	Revenue		Cost of sales		Net fees	
	2024	2023	2024	2023	2024	2023
Brands mix						
Progressive	560,519	565,938	422,172	422,272	138,347	143,666
Computer Futures	454,982	538,710	338,826	401,119	116,156	137,591
Real Staffing Group	239,976	316,062	176,938	232,322	63,038	83,740
Huxley Associates	237,429	242,457	185,891	188,679	51,538	53,778
	1,492,906	1,663,167	1,123,827	1,244,392	369,079	418,775

Other brands, including Global Enterprise Partners, JP Gray and Madison Black are rolled into the above brands.

£'000	Revenue		Cost of sales		Net fees	
	2024	2023	2024	2023	2024	2023
Service mix						
Contract	1,431,133	1,584,215	1,120,516	1,240,713	310,617	343,502
Permanent	61,773	78,952	3,311	3,679	58,462	75,273
	1,492,906	1,663,167	1,123,827	1,244,392	369,079	418,775

£'000	Revenue		Cost of sales		Net fees	
	2024	2023	2024	2023	2024	2023
Skills mix						
Technology	747,598	842,634	569,904	640,124	177,694	202,510
Engineering	422,984	415,357	317,654	306,537	105,330	108,820
Life Sciences	221,295	270,235	160,369	194,719	60,926	75,516
Other	101,029	134,941	75,900	103,012	25,129	31,929
	1,492,906	1,663,167	1,123,827	1,244,392	369,079	418,775

3 Administrative expenses

(a) Operating profit is stated after charging/(crediting):

£'000	2024	2023
Staff costs (note 4)	234,741	255,007
Depreciation (note 9)	15,230	15,898
Amortisation (note 10)	24	16
Loss on disposal of property, plant and equipment (note 9)	135	160
Gain on lease modification (note 9)	(69)	–
Service lease charges – Buildings ¹	2,464	2,176
Service lease charges – Cars ¹	1,903	1,890
Foreign exchange losses	742	1,882
Research and development tax credits ²	(1,647)	–
Gain on disposal of subsidiary ³	(135)	–
Other income ⁴	(2,690)	–

1. Service lease charges represent payments that vary based on factors other than an index or a rate, such as building maintenance, small repairs, cleaning charges, and other management fees, and are not included in the present value calculation of lease liabilities and are recognised in the income statement and presented as operating cash flows.

2. During the year, management assessed the Group-wide Technology Improvement Programme (TIP) for any claim for research and development expenditure credits (RDEC). The claims were determined for TIP-related expenditure incurred in the three years to 30 November 2024.

The underlying qualifying expenditure, based on which the claims were quantified, was a mixture of costs expensed immediately to the income statement for these financial periods, £1.6 million as presented in the above table, and costs capitalised as part of assets under construction as per note 10 (intangible assets in the Consolidated Statement of Financial Position – the RDEC claim reduced the capitalised cost and will impact the Consolidated Income Statement on a systematic basis over the useful life of the assets once the amortisation starts).

3. The accumulated foreign exchange net gain reclassified from the Group’s currency translation reserve to the Consolidated Income Statement on liquidation of two subsidiary companies.

4. £2.7 million in other income represents the release of accruals for the historically unclaimed invoices by contractors who had delivered service to our clients in prior years. Following a detailed review of the unclaimed invoices, which were older than statutory limitations in each relevant country, the decision was made to release these accruals to the income statement.

Notes to the financial statements continued
for the year ended 30 November 2024

3 Administrative expenses continued

(b) Auditors’ remuneration

During the year, the Group (including its subsidiaries) obtained the following services from the Company’s auditors and its associates.

£'000	2024	2023
Fees payable to the Company’s auditors for the audit of the Company’s annual financial statements:		
– recurring and non-recurring audit fees	845	699
Fees payable to the Company’s auditors and their associates for other services to the Group:		
– audit of the Company’s subsidiaries pursuant to legislation	403	429
– audit-related assurance services	–	13
– all other non-audit services including Viewpoint subscription	–	1
Fees charged to operating profit	1,248	1,142

4 Directors and employees

Accounting policy

Employee benefits

Wages, salaries, bonuses, social security contributions, paid annual leave or sick leave and any other employee benefits are accrued in the period in which the associated services are rendered by employees to the Group.

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension costs charged to the income statement represent the contributions payable by the Group to the funds during each period.

Share-based payments

The Group operates a number of equity-settled share-based arrangements, under which it receives services from employees in return for equity instruments of the Group. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date when equity instruments are granted and is recognised as an expense over the vesting period, which ends on the date on which the employees become fully entitled to the award. Fair value is determined by using an appropriate valuation model.

No expense is recognised for awards that do not ultimately vest. For the awards with non-vesting conditions (awards that do not have an explicit or implicit service requirement), the full cost of the award is recognised on the grant date, i.e. they are treated as fully vested irrespective of whether or not the market condition is satisfied.

At the end of the reporting period, the cumulative expense is calculated, representing the extent to which the vesting period has expired and the best estimate of the achievement of non-market conditions and the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous year end is recognised in the income statement, with a corresponding credit recognised in equity.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid, up to the fair value of the award, at the cancellation or settlement date, is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

Aggregate remuneration of employees, including Directors, in continuing operations was:

£'000	Group		Company	
	2024	2023	2024	2023
Wages and salaries (including bonuses)	200,489	216,354	1,808	1,637
Social security costs	25,453	28,917	193	172
Other pension costs	3,056	3,090	–	37
Temporary staff costs	757	1,761	–	–
Share-based payments (see note 19(b))	4,986	4,885	98	226
	234,741	255,007	2,099	2,072

The staff costs capitalised during the year on internally developed assets (note 10) and not included in the above amounts were £4.2 million (FY23: £2.7 million).

The average monthly number of employees (including Executive Directors) during the year was:

	Rest of Europe	DACH	USA	Netherlands including Spain	Middle East & Asia	Group total	Company total
2024							
Sales	377	755	324	348	179	1,983	–
Non-sales	485	175	112	102	32	906	7
	862	930	436	450	211	2,889	7

	Rest of Europe	DACH	USA	Netherlands including Spain	Middle East & Asia	Group total	Company total
2023							
Sales	431	818	367	356	166	2,138	–
Non-sales	635	173	131	94	29	1,062	8
	1,066	991	498	450	195	3,200	8

The average number of employees is derived by dividing the sum of the number of employees employed under contracts of service in each month (whether throughout the month or not) by the number of months in the financial year, irrespective of whether they are full-time or part-time.

There were also 3,116 (FY23: 3,441) contractors engaged during the year under the Employed Contractor Model (ECM). They are not included in the numbers above as they are not considered to be full-time employees of the Group. The labour costs of employed contractors is treated as the direct costs attributable to the delivery of STthree’s recruitment services to its clients. The entire ECM cost, which in the current year amounted to £324.3 million (FY23: £349.6 million), is therefore captured within cost of sales.

Details of the Directors’ remuneration for the year, including the highest paid Director, which form part of these financial statements, are provided in the ‘Audited information’ section of the Directors’ remuneration report (section 1.1).

Directors’ compensation for loss of office was £nil (FY23: £0.4 million).

5 Finance income and finance costs

Accounting policy

Finance income is recognised as the interest accrues to the net carrying amount of the financial asset. Finance cost is recognised in the income statement in the period in which it is incurred.

£'000	2024	2023
Finance income		
Bank interest receivable	2,890	2,237
Other interest	1	20
	2,891	2,257
Finance costs		
Interest on lease liability	(1,337)	(605)
Bank loans and overdrafts	(108)	(93)
	(1,445)	(698)
Net finance income	1,446	1,559

Notes to the financial statements continued
for the year ended 30 November 2024

6 Income tax expense

Accounting policy		
The tax expense comprises both current and deferred tax.		
Current tax		
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before income tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.		
Deferred tax		
Deferred tax is provided in full, using the liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.		
Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Where an entity has been loss-making, deferred tax assets are only recognised if there is convincing evidence supporting its future utilisation.		

(a) Analysis of tax charge for the year

£'000	2024	2023
Current income tax		
Corporation tax charged on profits for the year	18,966	23,679
Adjustments in respect of prior periods	(4,157)	(447)
Total current tax charge	14,809	23,232
Deferred income tax		
Origination and reversal of temporary differences	2,414	(1,117)
Adjustments in respect of prior periods (note 18)	725	(251)
Total deferred tax charge/(credit)	3,139	(1,368)
Total income tax charge in the Consolidated Income Statement	17,948	21,864

(b) Reconciliation of the effective tax rate

The Group’s tax charge for the year exceeds (FY23: exceeds) the UK statutory rate and can be reconciled as follows:

£'000	2024	2023
Profit before income tax for the Group	67,640	77,915
Profit before income tax multiplied by the standard rate of corporation tax in the UK at 25.0% (FY23: 23.0%)	16,910	17,920
Effects of:		
Disallowable items	1,585	976
Uncertain tax positions – current year	826	261
Uncertain tax positions – prior year	(3,054)	–
Share-based payments	487	483
Differing tax rates on overseas earnings	1,744	2,524
Utilisation of tax losses brought forward	(691)	(454)
Adjustments in respect of prior periods	(396)	(697)
Adjustments due to tax rate changes	124	(1)
Tax losses for which deferred tax asset was not recognised or derecognised	413	852
Total tax charge for the year	17,948	21,864
At the effective tax rate	26.5%	28.1%

A more granular level of analysis has been included above when compared to the prior year financial statements. The total tax charge has not changed.

(c) Current and deferred tax movement recognised directly in equity

£'000	2024	2023
Equity-settled share-based payments:		
Current tax credit	45	69
Deferred tax charge	(55)	(37)
	(10)	32

The Group expects to receive additional tax deductions in respect of share options currently unexercised. The Group is required to provide for deferred tax on all unexercised share options. Where the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, this indicates that the tax deduction relates not only to remuneration expense but also to an equity item. In this situation, the excess of the current or deferred tax should be recognised in equity. At 30 November 2024, a deferred tax asset of £0.5 million (FY23: £1.4 million) was recognised in respect of these options (note 18 *Deferred tax*).

On 17 November 2022, the UK Government confirmed its intention to implement the G20-OECD Inclusive Framework Pillar 2 rules in the UK, including a Qualified Domestic Minimum Top-Up Tax rule. This legislation, which was enacted on 11 July 2023, will seek to ensure that UK-headquartered multinational enterprises pay a minimum tax rate of 15% on UK and overseas profit for accounting periods commencing after 31 December 2023.

As the majority of jurisdictions in which the Group operates are at a tax rate above 15%, the impact of these rules on the Group is not expected to be material. As a result we are not providing for any additional current or deferred tax in relation to Pillar 2. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to Section 29 issued in July 2023.

The safe harbour position has been analysed for each jurisdiction and we would expect all material jurisdictions to pass safe harbour tests, therefore no material impacts are expected.

7 Earnings per share

Accounting policy		
Basic earnings per share (EPS) is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period excluding shares held as treasury shares (note 19(a)) and those held in the Employee Benefit Trust (EBT), which for accounting purposes are treated in the same manner as shares held in the treasury reserve.		
Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from exercising employee stock options and tracker shares.		
For accounting policy regarding EBT, refer to note 19 <i>Equity</i> .		

The following tables reflect the income and share data used in the basic and diluted EPS calculations.

£'000	2024	2023
Earnings		
Profit for the year attributable to owners of the Company	49,692	56,051
million	2024	2023
Number of shares		
Weighted average number of shares used for basic EPS	132.8	132.1
Dilutive effect of share plans	1.3	2.9
Diluted weighted average number of shares used for diluted EPS	134.1	135.0
pence	2024	2023
Basic EPS	37.4	42.4
Diluted EPS	37.1	41.5

Notes to the financial statements continued
for the year ended 30 November 2024

8 Dividends

Accounting policy

Interim dividends are recognised in the financial statements at the time they are remitted. The date on which the full balance of all funds, which are required to settle the interim dividends, is transferred by the Company to the third-party share administrator is the trigger event for the recognition of the interim dividends as paid in the Group Consolidated Financial Statements. This is the date on which the Group releases control over interim dividend-related funds as there is no legal mechanism as part of the underlying agreement with the share administrator to allow management to revoke the dividend and retrieve the funds.

Final dividends declared to the Company’s shareholders are recognised as a liability in the Company’s and Group’s financial statements in the period in which they are approved by the Company’s shareholders.

The Company recognises dividends from subsidiaries at the time that they are declared.

£'000	2024	2023
Amounts recognised as distributions to equity holders in the year		
Interim dividend of 5.0 pence for FY22 per share (note a)	–	6,605
Interim dividend of 5.0 pence for FY23 per share (note b)	494	6,383
Final dividend of 11.6 pence for FY23 (11.0 pence for FY22) per share (note c)	15,366	14,385
	15,860	27,373

£'000	2024	2023
Amounts arising in respect of the financial year		
Interim dividend of 5.1 pence for FY24 (5.0 pence for FY23) per share (note d)	6,824	6,383
Proposed final dividend of 9.2 pence for FY24 (11.6 pence for FY23) per share (note e)	12,221	15,327
	19,045	21,710

Note a
The FY22 interim dividend of 5.0 pence per share was paid on 2 December 2022 to those shareholders on the register of SThree plc on 4 November 2022. The £6.4 million of the total £6.6 million in funds required for settlement of the FY22 interim dividend, were transferred by the Group to the share administrator before 30 November 2022. The remaining balance of £0.2 million was transferred to the share administrator post the FY22 year end, in December 2022. In FY23, once the share administrator was in receipt of all funds required for settlement of the interim dividend, the FY22 interim dividend was recognised as distribution to equity holders within the Consolidated Statement of Changes in Equity.

Note b
The FY23 interim dividend of 5.0 pence per share was paid on 8 December 2023 to those shareholders on the register of SThree plc on 10 November 2023. The £6.4 million in funds, required for settlement of the FY23 interim dividend, were transferred by the Group to the share administrator before 30 November 2023.

The £0.5 million shown as distributed in FY24 included £0.3 million in payments to shareholders who claimed the FY23 interim dividend post the FY23 year end. The remaining balance, £0.2 million, relates to the historical unclaimed dividends due to shareholders from prior years. As part of the process of transitioning to the new share administrator, onboarded in January 2024, the £0.2 million in funds were transferred to the share administrator during FY24 and are currently subject to the distribution to shareholders.

Note c
The FY23 final dividend of 11.6 pence (11.0 pence for FY22) per share was paid on 7 June 2024 to shareholders on the register of SThree plc on 10 May 2024.

Note d
The FY24 interim dividend of 5.1 pence (5.0 pence for FY23) per share was paid on 6 December 2024 to shareholders on record at 8 November 2024. The £6.8 million in funds, required for settlement of the FY24 interim dividend, were transferred to the share administrator after 2 December 2024.

Note e
The Board has proposed the FY24 final dividend of 9.2 pence (11.6 pence for FY23) per share, to be paid on 6 June 2025 to shareholders on record at 9 May 2025. This proposed final dividend is subject to approval by shareholders at the Company’s next Annual General Meeting on 29 April 2025, and therefore has not been included as a liability in these financial statements.

9 Property, plant and equipment

Accounting policy

Property, plant and equipment are recorded at cost less accumulated depreciation and any impairment losses. Subsequent expenditure is added to the carrying value of the asset when it is probable that future economic benefits, in excess of the originally assessed performance of the existing asset, will flow to the Group and the costs can be measured reliably. All other subsequent expenditure is expensed in the period in which it is incurred.

Depreciation is provided on a straight-line basis and charged to the income statement over the expected useful working lives of the assets, after they have been brought into use, at the following rates:

Right-of-use assets	lower of the asset’s useful life and the lease term
Computer equipment	three years
Leasehold improvements	between five and seven years or, if lower, the lease term
Fixtures and fittings	five years

Gains and losses on disposals are included in the income statement by comparing proceeds with carrying amount.

Residual values and useful lives are reviewed and adjusted if appropriate at the end of the reporting period. Any changes are accounted for prospectively.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset’s fair value less cost to sell and its value in use.

For accounting policy regarding right-of-use assets, refer to note 15 *Leases*.

The movements of property, plant and equipment by class of assets are as follows:

£'000	Right-of-use assets	Computer equipment	Leasehold improvements	Fixtures and fittings	Total
Cost					
At 1 December 2022	54,067	17,540	9,922	5,229	86,758
Additions	12,199	1,114	353	508	14,174
Disposals	(10,305)	(3,358)	(805)	(382)	(14,850)
Forex revaluation	(973)	(184)	(235)	(67)	(1,459)
At 30 November 2023	54,988	15,112	9,235	5,288	84,623
Additions	23,497	2,096	4,046	1,654	31,293
Disposals	(15,091)	(2,227)	(1,343)	(443)	(19,104)
Forex revaluation	(1,408)	(242)	(162)	(136)	(1,948)
At 30 November 2024	61,986	14,739	11,776	6,363	94,864
Accumulated depreciation					
At 1 December 2022	24,273	15,195	8,059	3,982	51,509
Depreciation charge for the year	13,174	1,596	759	369	15,898
Disposals	(8,747)	(3,242)	(768)	(375)	(13,132)
Forex revaluation	(418)	(156)	(147)	(47)	(768)
At 30 November 2023	28,282	13,393	7,903	3,929	53,507
Depreciation charge for the year	12,944	1,132	702	452	15,230
Disposals	(15,160)	(2,228)	(1,207)	(443)	(19,038)
Forex revaluation	(633)	(206)	(131)	(82)	(1,052)
At 30 November 2024	25,433	12,091	7,267	3,856	48,647
Net book value					
At 30 November 2024	36,553	2,648	4,509	2,507	46,217
At 30 November 2023	26,706	1,719	1,332	1,359	31,116

Notes to the financial statements continued
for the year ended 30 November 2024

9 Property, plant and equipment continued

A depreciation charge of £15.2 million (FY23: £15.9 million) was recognised in administrative expenses.

During the year, certain assets such as IT hardware, leasehold improvements and other office equipment were found to be no longer operational. These assets with a total net book value of £0.1 million (FY23: £0.2 million) were disposed of, incurring a loss on disposal of £0.1 million (FY23: a loss on disposal of £0.2 million).

For the carrying amount of right-of-use assets per class of underlying asset refer to note 15 *Leases*. During the year, the Group early-terminated certain lease contracts (including the write-off of the corresponding lease liabilities) resulting in a small gain of £0.1 million on lease modification (FY23: no gain or loss on lease modification).

The Company has no property, plant and equipment.

10 Intangible assets

Accounting policy

Goodwill

Goodwill arising on consolidation represents the excess of purchase consideration over the fair value of the Group’s share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries has an indefinite useful life and is included in intangible assets. If the goodwill balance is material, it is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment is recognised immediately in the income statement and is not subsequently reversed. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Acquired and developed software and systems

Computer software acquired or developed by the Group is stated at cost less accumulated amortisation. Costs incurred on software and system development projects are only capitalised if capitalisation criteria under IAS 38 *Intangible Assets* (IAS 38) are met. These are amortised as follows:

Acquired computer software	expected useful life of three to seven years
Software and system development costs	expected useful lives not exceeding seven years

Costs relating to configuring or customising the SaaS are assessed to determine if there is a separate intangible asset over which the Group has control. If an asset is identified, it is capitalised and amortised over the useful economic life of the asset. When no separate intangible asset is identified, then the costs are either expensed when incurred or recognised as a prepayment and spread over the term of the arrangement if the costs are concluded to not be distinct.

Software maintenance costs are expensed in the period in which they are incurred. Other costs linked to development projects that do not meet the IAS 38 criteria are expensed in the period incurred.

Research and development tax relief in the form of the Research and Development Expenditure Credit (RDEC) is recognised in the income statement over the periods in which the qualifying expenditure giving rise to the RDEC claim is recognised, as the Group’s assessment of the conditions of receipt of the RDEC concludes that it meets the definition of a Government grant. Certain expenses within the scope of RDEC are capitalised as part of the Group’s development costs. Where this is the case, the Group defers the income associated with the claim to deferred income and releases it to the income statement in line with the amortisation profile of the associated asset.

Assets under construction

Purchased assets or internally generated intangible assets that are still under development are classified as ‘assets under construction’. These assets are reclassified within intangibles over the phased completion dates and are amortised from the date they are reclassified.

Trademarks

Acquired trademarks are stated at cost and are amortised over the estimated useful life (up to 12 years) on a straight-line basis.

Impairment of intangible assets

Assets that are not subject to amortisation are tested for impairment annually. Any impairment loss or gain is recognised in the income statement.

Impairment loss is the excess of an asset’s carrying amount over its recoverable amount. The recoverable amount represents the higher of an asset’s fair value less costs to sell and its value in use. Value in use is measured based on the expected future discounted cash flows attributable to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The movements in intangible assets by asset class during the year were as follows:

£'000	Internally generated					Total
	Goodwill	Computer software	Assets under construction	Software and system development costs	Trademarks	
Cost						
At 1 December 2022	206,317	9,084	–	39,112	71	254,584
Additions	–	64	6,173	–	–	6,237
Disposals	–	(3,760)	–	–	–	(3,760)
Forex revaluation	–	(1)	–	–	–	(1)
At 30 November 2023	206,317	5,387	6,173	39,112	71	257,060
Additions	–	–	6,790	–	–	6,790
Disposals	–	(2,988)	–	–	–	(2,988)
Reclassification, including RDEC claim (see note 3)	–	–	(1,708)	–	–	(1,708)
Forex revaluation	–	(3)	–	–	–	(3)
At 30 November 2024	206,317	2,396	11,255	39,112	71	259,151
Accumulated amortisation and impairment						
At 1 December 2022	205,479	9,076	–	39,112	71	253,738
Amortisation charge for the year	–	16	–	–	–	16
Disposals	–	(3,760)	–	–	–	(3,760)
At 30 November 2023	205,479	5,332	–	39,112	71	249,994
Amortisation charge for the year	–	24	–	–	–	24
Disposals	–	(2,987)	–	–	–	(2,987)
Forex revaluation	–	(2)	–	–	–	(2)
At 30 November 2024	205,479	2,367	–	39,112	71	247,029
Net book value						
At 30 November 2024	838	29	11,255	–	–	12,122
At 30 November 2023	838	55	6,173	–	–	7,066

During the current year, the Group increased its intangible assets book value by a net amount of £5.1 million to £12.1 million (FY23: £7.1 million) following the progress of the regional roll-out of the Technology Improvement Programme (TIP) cohorts. This increase includes the £1.3 million in reduction to the capitalised costs representing a deferred benefit from the research and development expenditure credits (see note 3 Administrative expenses for further details).

In FY24, the Group also incurred £2.6 million (FY23: £3.8 million) in costs which were not directly attributable to the assets developed under the TIP (such as project management and other administration-related tasks) and which were expensed immediately to the income statement.

At the reporting date, all the costs capitalised in the statement of financial position were classified as assets under construction.

Notes to the financial statements continued
for the year ended 30 November 2024

10 Intangible assets continued

The asset amortisation is expected to commence early next year at the earlier of (i) US and Germany deployment, including interim ECM solution, be fully completed, or (ii) US and Netherlands deployment be fully completed. Successful resolution of the challenges faced during these deployments will provide management with assurance that any possible insurmountable problems in all other regions will be overcome, and the programme implementation will ultimately succeed across the entire Group.

An amortisation charge for FY24 was immaterial, less than of £0.1 million (FY23: £0.1 million), and was included in administrative expenses.

Disclosures required under IAS 36 *Impairment of Assets* for goodwill impairment have not been included on the basis that the goodwill value is not considered material.

The Company has no intangible assets.

11 Investments

Accounting policy

Equity investments

The Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value, either through other comprehensive income (FVOCI) or through profit or loss; and
- those measured at amortised cost.

Classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in either profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Subsidiaries

Investments in shares in subsidiary companies are stated at cost less impairment loss to the extent that the carrying value exceeds the recoverable amount; the investment is impaired to its recoverable amount with the impairment charged to the Company’s income statement. An investment is deemed to be impaired when it has been determined that its carrying value will not be recovered either through actual cash flows or operating profit generation or selling it. If circumstances arise that indicate that investments might be impaired, the recoverable amount of the investment is estimated. The recoverable amount is the higher of the entity’s fair value less costs to sell or its value in use. To the extent that the carrying value exceeds the recoverable amount, the investment is impaired to its recoverable amount.

Where share-based payments are granted to the employees of subsidiary undertakings by the Company, they are treated as a capital contribution to the subsidiary and the Company’s investment in the subsidiary is increased accordingly.

Tracker share arrangements

Over the past years, until 2020, the Group invited selected senior individuals to invest in the businesses they manage, sharing in both the risk and reward. These individuals were offered equity (‘tracker shares’) in those businesses in return for making an investment. The amount of equity offered varied in different circumstances but was never over 25% of the overall equity of the business in question. The equity stake tracks the performance of the underlying business and the individuals receive dividends (if declared) by the ‘tracked’ business.

If an individual remains a holder of the tracker shares for a pre-agreed period, typically three to five years depending on the vesting period applied to the tracker shares, they may then offer their vested tracker shares for sale to the Group, but there is no obligation on the Group to settle the arrangement. SThree will undertake a formal due diligence process to establish whether there is a sound business case for settling a tracker share and make an arm’s length judgement. Should the Group decide to settle the tracker shares, it will do so at a price which is determined using a formula stipulated in the tracker share Articles of Association (Articles). SThree plc may settle in cash or in its shares, as it chooses. The Group policy is to settle in SThree plc shares. Consequently, the arrangements are deemed to be an equity-settled share-based payment scheme under IFRS 2 *Share-based Payments* (IFRS 2).

Individuals paid the fair value for the tracker shares at the time of the initial subscription, as determined by an independent third-party valuer in accordance with IFRS 2 and taking into account the particular rights attached to the shares as described in the relevant businesses’ Articles. The initial valuation always took into consideration factors such as the size and trading record of the underlying business, expected dividends, future projections, as well as the external market, sector and country characteristics. The external valuer was supplied with detailed financial information, including net fees and EBITDA of the relevant businesses. Using this information, an independent calculation of the initial Equity Value (EV) was prepared. This EV was then discounted to arrive at a valuation to take into account the relevant characteristics of the shareholding in the tracked business, for example the absence of voting rights.

Tracker share arrangements continued

The methodology for calculating the EV was applied consistently, although the data used varied depending on the size and history of the business.

In FY21, the Directors decided to close the tracker share scheme for any new entrants/investments.

Up until FY14, certain individuals received loans from the Group to pay part of the initial subscription for their tracker shares, on which interest is charged at or above the HMRC beneficial loan rate. These loans are repayable by the individuals either at the time of settlement of their tracker shares, or via tracker share dividend, or when they leave the Group. These loans are included within other receivables (note 12 *Trade and other receivables*).

During the vesting period, no share-based payment charge is recognised in the income statement on the basis that the initial subscription by the individual at the grant date equated to the fair value at that date. Dividends declared by the tracked businesses, which were factored into the grant date fair value determination of the tracker shares, are recorded in equity as ‘distributions to tracker shareholders’.

When the Company issues new shares to settle the tracker share arrangements, the nominal value of the shares is credited to share capital and the difference between the fair value of the tracker shares and the nominal value is credited to share premium. If the Company uses treasury shares to settle the arrangements, the difference between the fair value of the tracker shares and the weighted average value of the treasury shares is accounted for in the retained earnings.

Critical accounting judgements

Tracker shares arrangements

The tracker shares arrangements give the Group the choice to settle tracker shares in either cash or SThree plc shares. There are significant accounting differences between an equity-settled and cash-settled scheme. Judgement is therefore required as to whether this is a cash or equity-settled share-based payment scheme. Based on the Directors’ judgement, the tracker share arrangements are accounted for as an equity-settled share-based payment scheme under IFRS 2 as the Group’s policy is to settle its obligations under the arrangements in SThree plc shares. The Company settles tracker shares through either treasury shares or the issue of new shares in SThree plc. The Companies Act 2006 does not specify whether the issue of treasury shares to settle share-based payments should be accounted for in share premium or elsewhere. The Company has taken legal advice which confirms this is judgemental and therefore the approach taken by the Company is to include differences between the fair value of the tracker shares settled and the weighted average cost of treasury shares in retained earnings.

Tracker shares can be repurchased from holders with either cash or SThree plc shares at the Company’s discretion. Historically, the Company’s policy and intention has been to settle tracker shares using SThree plc shares. Therefore, the judgement of the Directors is that this scheme is treated as equity-settled.

Indicators of impairment of investments in subsidiaries (Company only)

At each reporting date, the Company assesses whether there are indications of impairment of its investments in subsidiaries. The Company uses both external and internal sources of information to make this assessment, including significant adverse changes in the market or economic environment in which subsidiaries operate, the carrying amount of their net assets versus market value, or internal management that indicate that the financial performance of subsidiaries will be worse than budgeted.

Only when an indication of impairment is identified, the Company performs a detailed impairment review including calculations of recoverable amounts of the investments.

Notes to the financial statements continued
for the year ended 30 November 2024

11 Investments continued
Company

Cost	£'000
At 1 December 2022	372,228
Additions	
– Settlement of vested tracker shares	4,075
– Settlement of unvested tracker shares	461
– Capital contribution relating to share-based payments	3,919
At 30 November 2023	380,683
Additions	
– Settlement of vested tracker shares	4,841
– Capital contribution relating to share-based payments	2,761
At 30 November 2024	388,285
Provision for impairment	
At 1 December 2022	157,010
Provision made during the year	48
At 30 November 2023	157,058
Provision made during the year	46,507
At 30 November 2024	203,565
Net carrying value	
At 30 November 2024	184,720
At 30 November 2023	223,625

During the year, the Company settled a number of vested tracker shares by awarding SThree plc shares (note 19(b)). This resulted in an increase in the Company’s investment of £4.8 million (FY23: £4.5 million) in relevant subsidiary businesses.

IFRS 2 requires that any options or awards granted to employees of subsidiary undertakings, without reimbursement by the subsidiary, increase the carrying value of the investment held in the subsidiaries. In FY24, the Company recognised a net increase in investments in its subsidiaries of £2.8 million (FY23: £3.9 million) relating to share options and awards including those under the Long-Term Incentive Plan, Save-As-You-Earn, Employee Share Purchase Plan schemes and Deferred shares (executive short-term incentive scheme).

Assessment of investment impairment indications

The Company performed an assessment of impairment indications for its portfolio of investments in subsidiaries. The latest trading forecasts were revised significantly downwards compared to the prior year expectations, and triggered detailed calculations of the recoverable amounts for all the Company’s investments. Only one investment, the UK operations, required a recognition of the impairment charge, at £46.5 million. All non-UK investments had sufficient buffer in their recoverable amounts, and no impairment was recognised.

The impairment charge of £46.5 million was attributable to the UK trading business, SThree Partnership LLP, as its trading performance continued to deteriorate amidst prolonged challenging market conditions (for more details refer to the Strategic Report, Business review of Rest of Europe).

The recoverable amount of the UK investment was established as the higher of ‘fair value less costs of disposal’ (FVLCD) and ‘value in use’ (VIU). The VIU valuation was determined from the post-tax operating unit profit (OUP) cash flows forecast to be generated by the UK business in the next five years and into perpetuity. Post-tax cash flows were discounted to present value using a post-tax weighted average cost of capital (WACC) of 11.5% (an equivalent of the pre-tax WACC of 15.4%) and a long-term growth rate of 2.0%. With the stable UK tax rate at 25% and increased post-tax WACC, the new recoverable amount was materially below the investment’s carrying value. Hence, impairment charge was required.

The impairment assessment involves judgements and estimates prevailing at the time of the test. The actual outcomes may differ from the assumptions made. The Company considered reasonably possible changes to the assumptions:

- (i) Apply a 5% reduction in forecast net fees, assuming a stable conversion ratio. This would result in further impairment charge of £2.4 million.
- (ii) Apply a 10% reduction to forecast OUP. This would result in further impairment charge of £5.1 million.
- (iii) Increase a post-tax WACC by 10% (from 11.5% to 12.7%). This would result in further impairment charge of £5.6 million.

Furthermore, a small amount of investment, less than £0.1 million held by the Company in the discontinued business Malaysia, was also written off. This impairment charge did not impact the Group consolidated results.

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

A full list of the Company’s subsidiaries that existed as at 30 November 2024 is provided in note 25.

12 Trade and other receivables

Accounting policy

Trade receivables including contract assets are amounts due from customers for services performed in the ordinary course of business. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. The normal credit terms are between 14–30 days upon service provision, with 30 days becoming a more prevalent payment term.

The Group applies the IFRS 9 simplified approach for trade and other receivables and follows an expected credit losses (ECLs) approach for measuring the allowance of its trade receivables. ECL provision has been considered for contract assets but it is viewed as immaterial. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. For invoices reviewed on a portfolio basis (i.e. not individually reviewed), the loss allowance for ECLs is provided at differing percentages determined based on historical collection experience, adjusted for forward-looking market factors specific to the debtors and the economic environment. Certain exposures within trade receivables are individually assessed for which the Directors make judgement on a client-by-client basis as to their ability to collect outstanding receivables. When reviewing significant outstanding invoices, the Directors consider qualitative factors that are available without undue cost or effort, such as a decrease in the debtor’s creditworthiness, changes in external or internal credit ratings, macro-economic conditions, actual or expected deterioration in business performance of any particular debtor, and other known issues.

Derecognition of trade and other receivables

Trade and other receivables are derecognised when the rights to receive cash flows from these assets have expired or have been transferred. On derecognition, any difference between the carrying amount of an asset and the consideration received is recognised in the profit or loss.

For critical accounting estimates regarding contract assets, refer to note 2 *Operating segments*.

£'000	Group		Company	
	30 November 2024	30 November 2023	30 November 2024	30 November 2023
Trade receivables	268,825	245,525	–	–
Contract assets	88,635	94,091	–	–
Other receivables	6,462	5,873	66	66
Less allowance for ECLs	(8,718)	(8,639)	–	–
Trade receivables, contract assets and other receivables – net off ECL	355,204	336,850	66	66
Prepayments	9,703	8,270	–	–
Other taxes and social security – debtor	–	–	–	753
	364,907	345,120	66	819

Trade receivables are non-interest-bearing current financial assets.

Contract assets represent the contract revenue earned but not invoiced at the year end. It is based on the value of the unbilled timesheets from the contractors for the services provided up to the year end. The corresponding costs are shown within trade payables (where the contractor has submitted an invoice) and within accruals (in respect of unsubmitted and unapproved timesheets) (note 14 *Trade and other payables*).

In FY24, other receivables include £0.03 million (FY23: £0.1 million) for loans given to certain former employees towards their subscription for tracker shares (note 23(b)(iv)). Tracker share loans are unsecured and charged interest at a rate of 2% (FY23: 2%). No such new tracker share loans were given to employees during the current year or previous year.

Notes to the financial statements continued
for the year ended 30 November 2024

12 Trade and other receivables continued

The Group establishes an allowance for doubtful accounts that represents an estimate of ECLs in respect of trade and other receivables. Movements in the impairment provision for trade receivables are shown in the table below.

£'000	30 November 2024	30 November 2023
Provision for impairment of trade receivables		
At the beginning of the year	8,639	3,704
Charge for the year	7,304	8,306
Bad debts written off	(768)	(1,617)
Reversed as amounts recovered	(6,413)	(1,728)
Exchange differences	(44)	(26)
At the end of the year	8,718	8,639

The ECLs were broadly consistent with FY23 provision. The exposure to credit risk has remained high across various countries in which the Group operates, primarily due to the ongoing macro-economic challenges as well as challenges related to specific large clients.

The management team considers that the carrying value of Group's and Company's trade and other receivables is approximately equal to their fair values and they are deemed to be current assets.

The Company's financial assets are classified as held at amortised costs and there is no significant exposure to market risks (interest rate and foreign exchange risks). For further information on Group's financial assets refer to note 23 *Financial instruments and financial risk management*.

13 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash-in-hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are classified as short-term borrowings unless they form part of a cash pooling arrangement where there is an intention to settle on a net basis, in which case they are reported net of related cash balances.

£'000	Group		Company	
	30 November 2024	30 November 2023	30 November 2024	30 November 2023
Cash at bank	69,756	83,202	82	12
Bank overdraft	(88)	–	–	–
Net cash and cash equivalents	69,668	83,202	82	12

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

The Group has four cash pooling arrangements in place at HSBC US (USD), HSBC UK (GBP), NatWest (GBP) and Citibank (EUR).

14 Trade and other payables

Accounting policy

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

£'000	Group		Company	
	30 November 2024	30 November 2023	30 November 2024	30 November 2023
Trade payables	54,828	33,821	–	–
Accruals	115,447	133,775	885	627
Other taxes and social security	12,862	19,617	207	73
Other payables	15,086	12,919	501	1,112
Amounts due to subsidiaries (note 22)	–	–	128,945	85,761
	198,223	200,132	130,538	87,573

Trade payables increased significantly YoY, mainly due to contractors being paid comparatively early in FY23; it was partially offset by decrease in contractor accrued costs in line with the slowdown of the trading at the end of FY24.

The carrying amounts of Group's and Company's trade and other payables are considered to be the same as their fair values, due to their short-term nature. The Company's financial liabilities are classified as held at amortised costs and there is no significant exposure to market risks (interest rate and foreign exchange risks). For further information on Group's financial liabilities refer to note 23 *Financial instruments and financial risk management*.

Trade and other payables are predominantly interest-free, are unsecured and are usually paid within 20 days of recognition.

Accruals include amounts payable to contractors in respect of unsubmitted and unapproved timesheets (note 12 *Trade and other receivables*).

Amounts due to SThree Management Services by other SThree Group entities are subject to an interest rate equal to average SONIA rate plus 1.2%. Amounts due from SThree Management Services to other SThree Group entities are subject to the average Money Market rates based on the currency of the balance.

Notes to the financial statements continued
for the year ended 30 November 2024

15 Leases

Accounting policy

Leases, from a lessee perspective, are recognised as a right-of-use asset and a corresponding lease liability at the date when the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a net present value basis and are recognised as part of ‘Property, plant and equipment’, ‘Non-current lease liabilities’ and ‘Current lease liabilities’ in the statement of financial position.

Lease liabilities include the net present value of the following lease payments:

- a) fixed payments less any lease incentives receivable;
- b) variable lease payments that are based on an index or a rate;
- c) amounts expected to be payable by the lessee under residual value guarantees, if any;
- d) the exercise price of a purchase option if the Group is reasonably certain it will exercise that option; and
- e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease-related service charges are treated as non-lease components and are expensed when incurred, and are therefore not capitalised as part of the lease liabilities on the initial recognition date.

The lease payments are discounted using the interest rate implicit in the lease (if that rate can be determined), or the incremental borrowing rate (IBR), being the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. In determining the IBR to be used, the Group applies judgement to establish the suitable reference rate and credit spread.

Each lease payment is allocated between the liability and finance costs, within finance costs in the income statement.

Lease payments are presented as follows in the Group statement of cash flows:

- payments for the interest element of recognised lease liabilities are included in ‘interest paid’ within cash flows from financing activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

Right-of-use assets are measured at cost comprising the following:

- a) the amount of the initial measurement of lease liability;
- b) any lease payments made at or before the commencement date less any lease incentive received;
- c) any initial direct costs; and
- d) any restoration costs.

The right-of-use assets are depreciated over the shorter of the assets’ useful life and the lease term on a straight-line basis.

The Group does not apply the recognition exemption to short-term leases or leases of low-value assets, as permitted by the standard.

In determining the lease terms, the management team considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after a termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The leases which are recognised in the Consolidated Statement of Financial Position are principally in respect of buildings and cars.

The Group’s right-of-use assets and lease liabilities are presented below:

£’000	30 November 2024	30 November 2023
Buildings	35,577	24,772
Cars	976	1,934
Total right-of-use assets (refer to note 9 <i>Property, plant and equipment</i>)	36,553	26,706
Current lease liabilities	10,419	11,297
Non-current lease liabilities	29,362	17,720
Total lease liabilities (refer to note 23 <i>Financial instruments and financial risk management</i>)	39,781	29,017

The Consolidated Income Statement includes the following amounts relating to depreciation of right-of-use assets:

£’000	30 November 2024	30 November 2023
Buildings	11,868	11,955
Cars	1,076	1,219
Total depreciation charge of right-of-use assets	12,944	13,174

In the current year, interest expense on leases amounted to £1.3 million (FY23: £0.6 million) and was recognised within finance costs in the Consolidated Income Statement (refer to note 5 *Finance income and costs*).

The total cash outflow for leases in FY24 was £14.4 million (FY23: £14.9 million) and comprised the principal and interest element of recognised lease liabilities.

16 Other financial liabilities

Accounting policy

Financial liabilities

All non-derivative financial liabilities are classified as ‘financial liabilities measured at amortised cost’. All financial liabilities are recognised initially at fair value and net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The Group’s financial liabilities include trade and other payables and other financial liabilities, including bank overdraft and lease liabilities.

The Group maintains a committed RCF of £50.0 million along with an uncommitted £30.0 million accordion facility, both jointly provided by HSBC and Citibank, giving the Group an option to increase its total borrowings under the facility to £80.0 million. During the current and previous year, the Group did not draw down under these facilities. The Group also has an uncommitted £5.0 million overdraft facility with HSBC, of which £0.1 million was drawn at the year end (FY23: £nil).

The RCF is subject to financial covenants and any funds borrowed under the facility bear a minimum annual interest rate of 1.2% above the benchmark Sterling Overnight Index Average (SONIA). As the Group and the Company did not draw down under these facilities, the finance costs of £1.4 million (FY23: £0.7 million) were mainly related to lease interest.

The covenants, which the RCF is subject to, require the Group to maintain financial ratios over interest cover, leverage and guarantor cover (note 23(b)(iii)). The Group has complied with these covenants throughout the year.

The Group’s exposure to interest rates, liquidity, foreign currency and capital management risks is disclosed in note 23 *Financial instruments and financial risk management*.

Notes to the financial statements continued
for the year ended 30 November 2024

16 Other financial liabilities

Reconciliation of financial liabilities to cash flows arising from financing activities:

£'000	
Balance at 1 December 2022	33,702
Cash flows:	
Interest paid to bank	(93)
Payments of principal and interest element of lease liabilities	(14,855)
Total cash flows	(14,948)
Lease increases	11,479
Lease termination	(1,558)
Other movements ¹	342
Balance at 30 November 2023 and 1 December 2023	29,017
Cash flows:	
Interest paid to bank	(108)
Payments of principal and interest element of lease liabilities	(14,448)
Total cash flows	(14,556)
Lease increases	25,311
Lease termination	(868)
Other movements ¹	877
Balance at 30 November 2024	39,781

1. Other movements in FY24 and FY23 primarily comprised unwind of the discount on lease liabilities and forex revaluation.

17 Provisions

Accounting policy

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the present value of the expenditures expected to be required to settle the obligation. No provision is recognised for future operating losses.

(a) Movements in each class of provision during the financial year are set out below:

£'000	Dilapidations	Restructuring and termination payments	Tracker share liability	Legal	Onerous contracts	Total
At 1 December 2022	2,819	3,041	1,900	2,910	984	11,654
Additions	772	414	–	1,485	–	2,671
Released to the income statement	(56)	(287)	(225)	–	–	(568)
Utilised during the year	(370)	(2,753)	(483)	(137)	(459)	(4,202)
Forex revaluation	24	–	–	(55)	–	(31)
At 30 November 2023	3,189	415	1,192	4,203	525	9,524
Additions	444	1,397	–	196	–	2,037
Released to the income statement	(358)	(99)	(90)	(1,389)	–	(1,936)
Utilised during the year	(25)	(318)	(1,102)	(867)	(345)	(2,657)
Forex revaluation	(71)	–	–	(41)	(4)	(116)
At 30 November 2024	3,179	1,395	–	2,102	176	6,852

£'000	30 November 2024	30 November 2023
Expected timing of provision utilisation		
Current	4,068	7,373
Non-current	2,784	2,151
	6,852	9,524

Provisions are not discounted as the Directors believe that the effect of the time value of money is immaterial. The provisions are measured at cost, which approximates to the present value of the expenditure required to settle the obligation.

(b) Information about individual provisions and significant estimates

Dilapidations

The Group is obliged to pay for dilapidations at the end of its tenancy of various properties. Provision was made based on independent professional estimates of the likely costs on vacating properties based on the current conditions of the properties. The provision is captured within the carrying value of the right-of-use assets and depreciated to profit or loss over the lease term.

Restructuring and termination payments

At 30 November 2024, the provision comprised primarily future termination payments related to staff in the following businesses: UK, the Netherlands and Germany. Termination payments are provided for staff exiting SThree in the normal course of business and in the case of a restructuring.

Tracker share liability

In the current year, the tracker share provision has been released in full (FY23: £0.5 million) to retained earnings to reflect the fact that all remaining tracker shares have now vested and the Group no longer has an obligation to repay amounts received from senior employees on subscription for tracker shares under the terms of the tracker share arrangements (note 11 *Investments*).

There were no new subscriptions in the current year as the tracker share scheme was closed for new entrants/investments.

Legal

The provision relates to various ongoing legal and other disputes including employee litigation, compliance with employment laws and regulations, and open enquiries with tax and pension authorities. The provision relates to separate claims in a number of different geographic regions and represents our most probable estimate of the likely outcome of each of the disputes. The timing of economic outflow is subject to the factors governing each case.

Onerous contracts

The onerous contract provision was created for corresponding service charges (not capitalised within the initial recognition amount of right-of-use assets) which would be incurred for the remainder of the underlying lease terms.

The liability in relation to all classes of provision is expected to crystallise as follows:

£'000	30 November 2024	30 November 2023
Within one year	4,068	7,372
One to five years	2,219	1,987
After five years	565	165
	6,852	9,524

Notes to the financial statements continued
for the year ended 30 November 2024

18 Deferred tax
Group

£'000	Fixed asset timing differences	Leases	Share-based payments	Provisions	Total
At 1 December 2022	(7,894)	9,986	1,141	1,383	4,616
Credit to income statement for the year	1,341	(1,844)	83	1,537	1,117
Prior year credit to income statement for the year	1	–	218	32	251
Charge directly to equity	–	–	(37)	–	(37)
Forex revaluation	(1)	–	(16)	(131)	(148)
At 30 November 2023	(6,553)	8,142	1,389	2,821	5,799
(Charge)/credit to income statement for the year	(3,992)	2,424	(853)	7	(2,414)
Prior year (charge)/credit to income statement for the year	(586)	–	–	(139)	(725)
Charge directly to equity	–	–	(55)	–	(55)
Forex revaluation	(8)	–	(14)	(37)	(59)
At 30 November 2024	(11,139)	10,566	467	2,652	2,546

Deferred tax assets are recognised for carry-forward tax losses to the extent that the realisation of the related tax benefit through future taxable profits from the respective jurisdictions is probable. In assessing whether to recognise deferred tax assets, the Group considered both current and the forecast trading performance in these territories and the expectations regarding the levels of profitability that can be achieved.

At the reporting date, the Group had unused tax losses of £25.6 million (FY23: £27.3 million) available for offset against future profits. No deferred tax asset was recognised in respect of the £25.6 million (FY23: £27.3 million) losses. The reduction in losses arises from expiration, recognition, exchange differences and utilisation.

Included in unrecognised tax losses are losses of £13.1 million (FY23: £0.8 million) which are subject to expiry. Of this amount, £8.0 million will be forfeited over the course of the next year. A regional summary of our unrecognised operating tax losses is shown below.

The Group has adopted the amendment to IAS 12 *Income Taxes* in respect of deferred tax relating to assets and liabilities arising from a single transaction. In line with the amendment, the Group now recognises deferred tax assets and liabilities in respect of leases separately. This has resulted in a reclassification of £10.6 million of deferred tax assets and £9.4 million of deferred tax liabilities. As a result of the change, deferred tax liabilities relating to leases are now presented in ‘Fixed asset timing differences’ with deferred tax assets relating to lease liabilities being presented in leases.

At the reporting date, the Group had undistributed earnings of subsidiaries which would be subject to dividend withholding tax amounting to £3.2 million (2023: £2.5 million). No tax liability has been recognised in respect of this amount.

£'000	30 November 2024	30 November 2023
Operating tax losses not recognised		
Europe	12,626	13,854
Asia Pacific	12,909	12,637
Rest of World	–	764
	25,535	27,255

Recognised operating losses were £nil (FY23: £nil) during the year.

The Group has the following uncertain tax positions:

On transfer pricing risks, the provision decreased during the year by £0.7 million to £1.8 million (FY23: £2.5 million).

Company

The Company’s deferred tax assets/(deferred tax liabilities) relate in full to the equity-settled share-based payments.

£'000	
At 1 December 2022	225
Charge to income statement for the year	(77)
Charge directly to equity	(12)
At 30 November 2023	136
Charge to income statement for the year	(128)
Charge directly to equity	(19)
At 30 November 2024	(11)

19 Equity

Accounting policy

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Group’s holdings in its own equity instruments are classified as ‘treasury reserve’. The consideration paid, including any directly attributable incremental costs, is deducted from the equity attributable to the owners of the Company until the shares are cancelled or reissued. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of own equity shares.

Employee Benefit Trust (EBT)

The EBT is funded entirely by the Company. The assets and liabilities of the EBT are recognised in the Group’s Consolidated Financial Statements.

The shares in the EBT are held to satisfy awards and grants under certain employee share schemes. For accounting purposes, shares held in the EBT are treated in the same manner as treasury shares and are, therefore, included in the Consolidated Financial Statements as treasury reserve. Consideration, if any, received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to retained earnings. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares held by the EBT.

In the separate financial statements of the Company, the EBT is treated as an agent acting on behalf of the Company. Funding provided by the Company to the EBT is accounted for as the issue of treasury shares.

For accounting policy regarding tracker share awards in subsidiary companies, refer to note 11 *Investments*.

Group and Company

(a) Share capital

	Number of ordinary shares	Share capital £'000	Capital redemption reserve £'000	Treasury reserve £'000
Issued and fully paid				
At 1 December 2022	134,462,622	1,345	172	(6,581)
Issue of new shares	409,818	4	–	–
Purchase of shares by EBT	–	–	–	(10,000)
Utilisation of shares held by EBT	–	–	–	8,642
At 30 November 2023	134,872,440	1,349	172	(7,939)
Issue of new shares	698,585	7	–	–
Purchase of shares by EBT	–	–	–	(10,000)
Utilisation of shares held by EBT	–	–	–	10,693
At 30 November 2024	135,571,025	1,356	172	(7,246)

The nominal value per ordinary share is £0.01 (FY23: £0.01).

The Company does not have a limited amount of authorised share capital.

Notes to the financial statements continued
for the year ended 30 November 2024

19 Equity continued

Group and Company continued

(a) Share capital continued

During the year 698,585 (FY23: 409,818) new ordinary shares were issued, resulting in a share premium of £2.4 million (FY23: £1.5 million). Of the shares issued, 508,396 (FY23: 320,457) were issued to tracker shareholders on settlement of vested tracker shares and 190,189 (FY23: 89,361) pursuant to the exercise of share awards under the Save-As-You-Earn (SAYE) scheme.

The Company’s issued share capital at 30 November 2024 consisted of 135,606,792 (FY23: 134,908,207) ordinary shares of £0.01 each, of which 35,767 (FY23: 35,767) were held in treasury reserve.

Share premium

The share premium account represents the excess of proceeds over the nominal value for all share issues, including the excess of the exercise share price over the nominal value of the shares on the exercise of share options.

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are integral to the operations of the Company.

EBT

During the year, the EBT purchased 2,340,585 (FY23: 2,198,735) of STthree plc shares. The average price paid per share was 427 pence (FY23: 455 pence). The total acquisition cost of the purchased shares was £10.0 million (FY23: £10.0 million), for which the treasury reserve was reduced. During the year, the EBT utilised 2,496,991 (FY23: 2,046,423) shares on settlement of vested tracker shares and LTIP awards. At the year end, the EBT held 1,767,052 (FY23: 1,923,458) shares.

(b) Share-based payments

Tracker share awards in subsidiary companies

As described in note 11 *Investments*, until FY19 the Group made tracker share awards in respect of certain subsidiary businesses to senior individuals who participate in the development of those businesses.

During the year, the Group settled certain vested tracker shares for a total consideration of £4.8 million (FY23: £4.5 million) by issue of new shares or using treasury shares purchased from the market. This resulted in an increase in share capital and share premium for new issue, and reduction in capital reserves for utilised treasury reserve, with a corresponding reduction in the Group’s retained earnings and provision for tracker share liability.

LTIP, SAYE, Employee Share Purchase Plan and other share schemes

The Group has a number of share schemes to incentivise its Directors and employees. All schemes are treated as equity-settled (except a legacy Share Incentive Plan (SIP)) as the Group has no legal or constructive obligation to repurchase or settle the options in cash. The schemes are detailed below.

Scheme	30 November 2024		30 November 2023					
	Charge (£'000)	Number of share options/ matching shares	Charge (£'000)	Number of share options/ matching shares	Vesting period	Expiry date	Valuation method	Performance metrics
LTIP	3,922	3,520,497	4,179	3,501,313	3 years	Immediate after vesting period	Monte Carlo and Binomial model	Incremental EPS growth/TSR ranking against comparator group
Employee Share Purchase Plan (ShareMatch)	384	94,856	251	116,886	1 year	n/a	n/a	None
SAYE	235	477,602	250	545,804	3 years	6 months after 3-year vesting period	Binomial	None
Deferred shares (executive short-term incentive scheme)	376	n/a	140	n/a	1 year	n/a	n/a	Group financial targets, shared objectives, personal objectives
Growth Incentive Plan	69	1,559,170	51	161,515	3 years	Immediate after vesting period	n/a	Regional financial targets
SIP	–	n/a	14	n/a	1 year	n/a	n/a	None
Total	4,986	5,652,125	4,885	4,325,518				

The majority of the total annual share-based payment charge (80%) is attributed to the LTIP scheme which has a remaining contractual life of three years at any point in time.

LTIP

Further details on the conditions of the LTIP are provided in the Remuneration at a glance on page 130.

	Number of options
At 1 December 2022	3,562,691
Granted	1,736,137
Exercised	(1,002,678)
Lapsed	(17,192)
Forfeited	(777,645)
At 30 November 2023	3,501,313
Granted	1,757,844
Exercised	(1,515,171)
Lapsed	(9,192)
Forfeited	(214,297)
At 30 November 2024	3,520,497

Out of the 3,520,497 LTIP options outstanding (FY23: 3,501,313), 2,395 LTIP options were exercisable (FY23: 12,643). Options exercised during the year under the LTIP were satisfied by shares held in the EBT. The related weighted average share price at the time of exercise was £4.06 (FY23: £3.91). The related transaction costs were negligible. The share options had a weighted average exercise price of £nil (FY23: £nil).

The share options granted in FY24, and separately in FY23, under the Group LTIP scheme were valued as follows:

	2024	2023
Weighted average fair value (£)	4.19	4.52
Key assumptions used:		
Share price at grant date (£)	4.20	4.73
Expected volatility¹	30.9%	38.4%
Annual risk-free interest rate	4.13%	3.73%
Expected life (years)	3	3

1. Expected volatility is determined by using the historic daily volatility of STthree plc’s shares as measured over a period commensurate with the expected performance period of the share options, i.e. three years.

Employee Share Purchase Plan (ShareMatch)

Under the ShareMatch plan, employees are invited to make monthly contributions to buy STthree plc shares at the current market value. If an employee agrees to buy shares, the Company will match the number of shares bought with an award of shares (the so called matching shares), on a one-for-one basis up to the maximum value of £50.00 per month.

For the purpose of valuing matching shares and to arrive at the corresponding share-based payment charge, management uses the market price at which matching shares were purchased at the time of their allocation to an employee’s account.

The matching shares are considered to be forfeited if the employee resigns or sells the purchased shares before the vesting date.

In the current year, the Company awarded/granted 125,616 (FY23: 116,886) matching shares to eligible employees. 93,754 (FY23: none) shares under the ShareMatch plan vested during the current year.

Other schemes

The SAYE, Growth Incentive Plan and SIP arrangements are not deemed material for further disclosure.

Further details behind the executive short-term incentive scheme, deferred shares, are provided in the Remuneration policy on page 133.

Notes to the financial statements continued

for the year ended 30 November 2024

20 Contingencies

Legal

The Group is involved in various disputes and claims which arise from time to time in the course of its business. These are reviewed on a regular basis and, where possible, an estimate is made of the potential financial impact on the Group. The Group has contingent liabilities in respect of these claims. In appropriate cases a provision is recognised based on advice, best estimates and management judgement.

The Directors currently believe the likelihood of any material liabilities to be low, and that such liabilities, if any, will not have a material adverse effect on its financial position.

21 Commitments

Capital commitments

At the year end, the Group had capital commitments for property, plant and equipment and intangible assets amounting to £5.2 million (FY23: £11.9 million). Capital commitments include total future minimum lease payments under leases not yet commenced to which the Group was committed at the year end of £1.0 million (FY23: £0.1 million).

Other commitments

At the year end, the Group had also committed to future lease service costs of £6.4 million (FY23: £3.9 million).

Guarantees

At the year end, the Group/SThree plc had bank guarantees in issue for commitments which amounted to £4.1 million (FY23: £3.4 million).

Company

In FY24, selected UK subsidiaries (see note 25) were exempt from the requirements of the UK Companies Act 2006 (the Act) relating to the audit of individual accounts by virtue of s479A of the Act. The Company provides a guarantee concerning the outstanding liabilities of these subsidiaries under Section 479C of the Act.

22 Related party transactions

Group

Balances and transactions with subsidiaries were eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its Directors and members of the Executive Committee, who are deemed to be key management personnel, are disclosed below.

Remuneration of key management personnel (KMP)

The Group's KMP comprises members of the Executive Committee, other members of the Board of Directors and key managers who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Further details of Directors' remuneration are included in the Remuneration policy on pages 132 to 134.

The total number of KMP was 16 (FY23: 15) at the year end. Total remuneration for members of KMP, including two members (FY23: three members) who left the business during the current financial year, is detailed below:

£'000	2024	2023
Short-term employee benefits	4,895	5,795
Share-based payments	538	681
Post-employment benefits	196	136
Termination benefits	–	170
	5,629	6,782

Company

The Company has related party relationships with its subsidiaries, with members of its Board and key managers. The Directors' remuneration which they receive from the Company is disclosed in the Directors' remuneration report. The Company did not have any transactions with the Directors during the financial year other than those disclosed in the Directors' remuneration report and below. Details of transactions between the Company and other related parties are disclosed below.

£'000	2024	2023
Transactions with the related parties during the year		
Investments in subsidiaries (note 11)	(7,602)	(8,455)
Impairment of investments in subsidiaries (note 11)	(46,507)	(48)
Settlement of tracker shares with KMP	(573)	(590)
Loans and advances received from subsidiaries	43,184	34,980
Interest income received from subsidiaries	1	4
Interest paid to subsidiaries	(8,064)	(4,512)

Settlement of tracker shares with KMP

During the year, 85,028 (FY23: 35,676) shares were issued to the Chief Executive Officer (CEO) as part of the annual tracker shares settlement. Of the 11 tracker share businesses in which the CEO held interests, five were recommended for a full or partial buyout, each having been assessed against the normally applied criteria. The overall buyout offer value for the CEO was £0.3 million (FY23: £0.1 million) of which £0.3 million (FY23: £0.1 million) was accepted and settled in SThree plc's shares.

Three (FY23: three) other members of KMP were also offered a full or partial buyout in FY24. Their total buyout offer was £0.3 million (FY23: £0.7 million) of which £0.3 million (FY23: £0.6 million) was accepted and settled in SThree plc's shares. No purchase or sales transactions were entered into between the Company and its subsidiaries.

£'000	30 November 2024	30 November 2023
Year-end balances arising from transactions with related parties		
Investments in subsidiaries	184,720	223,625
Amounts due to subsidiaries	(128,945)	(85,761)

23 Financial instruments and financial risk management

(a) Financial instruments

The Group holds and uses financial instruments to finance its operations and to manage its interest rate and liquidity risks. The Group primarily finances its operations using share capital, revenue and borrowings.

The accounting classification of each category of financial instruments and their carrying amounts are set out below. At the current and prior year end, all financial instruments were classified into 'measured at amortised cost' category.

£'000	Note	Measured at amortised cost	Total carrying amount
At 30 November 2024			
Financial assets			
Trade receivables and contract assets	12	348,742	348,742
Other receivables		6,305	6,305
Cash and cash equivalents	13	69,756	69,756
Financial liabilities			
Bank overdraft	13	(88)	(88)
Trade payables and accruals	14	(170,275)	(170,275)
Other payables		(10,841)	(10,841)
Lease liabilities	15,16	(39,781)	(39,781)

£'000	Note	Measured at amortised cost	Total carrying amount
At 30 November 2023			
Financial assets			
Trade receivables and contract assets	12	330,977	330,977
Other receivables		5,011	5,011
Cash and cash equivalents	13	83,202	83,202
Financial liabilities			
Trade payables and accruals	14	(167,596)	(167,596)
Other payables		(9,155)	(9,155)
Lease liabilities	15,16	(29,017)	(29,017)

Other receivables comprise mainly rental deposits and staff loans and exclude non-financial assets.

Other payables comprise mainly other non-trade creditors such as insurance and social obligations, and exclude non-financial liabilities.

Notes to the financial statements continued
for the year ended 30 November 2024

23 Financial instruments and financial risk management continued

(b) Financial risk factors

The Group reports in Sterling and pays dividends out of Sterling profits. The role of the Group’s corporate treasury function is to manage and monitor external and internal funding requirements and financial risks in support of corporate objectives. Treasury activities are governed by policies and procedures approved by the Board. A treasury management committee, chaired by the Chief Financial Officer, meets on a monthly basis to review treasury activities and its members receive management information relating to treasury activities. The Group’s internal auditors periodically review the treasury internal control environment and compliance with policies and procedures.

Each year, the Board reviews the Group’s currency hedging strategy to ensure it is appropriate. The Group does not hold or issue derivative financial instruments for speculative purposes and its treasury policies specifically prohibit such activity. All transactions in financial instruments are undertaken to manage the risks arising from underlying business activities, not for speculation.

The Group corporate treasury function enters into a limited number of derivative transactions, principally currency swaps and forward currency contracts, with the purpose of managing the currency risks arising from operations and financing of subsidiaries.

At the year end, the Group had net foreign exchange swaps of:

Currency	2024 LCCY’000	2024 £’000	2023 LCCY’000	2023 £’000
United Arab Emirates Dirham (AED)	24,273	5,190	22,031	4,752
Canadian Dollar (CAD)	–	–	(151)	(88)
Swiss Franc (CHF)	227	202	339	307
Euro (EUR)	21,559	17,907	9,263	7,990
Hong Kong Dollar (HKD)	7,482	755	6,958	706
Japanese Yen (JPY)	(226,775)	(1,188)	(982,198)	(5,245)
Singapore Dollar (SGD)	–	–	(7,029)	(4,163)
US Dollar (USD)	(30,028)	(23,578)	(34,538)	(27,359)
		(655)		(23,100)

The contracts were mainly taken out close to the year-end date for a period of 31 days (FY23: 29 days), and they had an immaterial fair value both at the current and prior year end.

The Group is exposed to a number of different financial risks including capital management, foreign currency rates, liquidity, credit and interest rates risks, which were not materially changed from the previous year. The Group’s objective and strategy in responding to these risks are set out below and did not change materially from the previous year.

(i) Capital risk management

The Group’s objectives when managing capital are to safeguard the Group and its subsidiaries’ ability to continue as going concerns to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, delay or reduce the settlement of vested tracker shares, sell assets to reduce debt, return capital to shareholders or issue new shares, subject to applicable rules. The Group’s policy is to settle the vested tracker shares in the Company’s shares. During the year, certain vested tracker shares were settled by issue of new shares or using treasury shares purchased from the market (note 19(a)).

The capital structure of the Group consists of equity attributable to owners of the parent of £246.7 million (FY23: £222.9 million), comprising share capital, share premium, other reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity and net cash of £69.7 million (FY23: £83.2 million), comprising cash and cash equivalents less bank overdraft (note 13).

Except for compliance with certain bank covenants (note 23(b)(iii)), the Group is not subject to any externally imposed capital requirements.

(ii) Foreign currency exchange risk management

The Group uses Sterling as its presentation currency. It undertakes transactions in a number of foreign currencies. Consequently, exposures to exchange rate fluctuations do arise. Such exchange rate movements affect the Group’s transactional revenues, cost of sales, the translation of earnings and the net assets/liabilities of its overseas operations.

The Group is also exposed to foreign currency risks from the value of net investments outside the United Kingdom. The intercompany loans which are treated as net investments in foreign operations are not planned to be settled in the foreseeable future as they are deemed to be a part of the investment. Therefore, exchange differences arising from the translation of the net investment loans are taken into equity.

The Group’s businesses generally raise invoices and incur expenses in their local currencies. Local currency cash generated is remitted via intercompany transfers to the United Kingdom. The Group generally converts foreign currency balances into Sterling to manage its cash flows.

Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro and the US Dollar. If the Euro or the US Dollar strengthened against Sterling by a movement of 10%, the anticipated impact on the Group’s results in terms of translational exposure would be an increase in profit before income tax of £7.8 million and £2.5 million (FY23: £8.7 million and £2.6 million) respectively, with a similar decrease if the Euro or the US Dollar weakened against Sterling by 10%.

(iii) Liquidity risk management

The Group’s treasury function centrally coordinates relationships with banks, manages borrowing requirements, foreign exchange needs and cash management. The Group has access to a committed RCF of £50.0 million along with an uncommitted £30.0 million accordion facility in place with HSBC and Citibank, giving the Group an option to increase its total borrowings under the facility to £80.0 million. All these facilities remained undrawn on 30 November 2024 and 30 November 2023. The Group also has an uncommitted £5.0 million overdraft facility with HSBC of which £0.1 million (FY23: £nil) was used at the year end.

The RCF is subject to certain covenants requiring the Group to maintain financial ratios over interest cover, leverage and guarantor cover. The Group complied with these covenants throughout the year.

- (1) Interest cover: the ratio of EBITDA to net finance charges shall not be less than the ratio of 4:1 at any time;
- (2) Leverage: the ratio of total net debt on the last day of a period to the adjusted EBITDA in respect of that period shall not exceed the ratio of 3:1; and
- (3) Guarantor cover: the aggregate adjusted EBITDA and gross assets of all the guarantor subsidiaries must at all times represent at least 80% of the adjusted EBITDA and gross assets of the Group as a whole.

The table below shows the maturity profile of the financial liabilities which are held at amortised cost based on the contractual (undiscounted) amounts payable on the date of repayment:

£’000	Lease liabilities	Trade and other payables, including bank overdrafts	
	Group	Group	Company
At 30 November 2024			
Within one year	11,518	181,204	151,878
One to five years	24,664	–	–
After five years	10,500	–	–
	46,682	181,204	151,878

£’000	Lease liabilities	Trade and other payables, including bank overdrafts	
	Group	Group	Company
At 30 November 2023			
Within one year	13,430	176,751	87,500
One to five years	14,720	–	–
After five years	3,317	–	–
	31,467	176,751	87,500

Notes to the financial statements continued

for the year ended 30 November 2024

23 Financial instruments and financial risk management continued

(b) Financial risk factors continued

(iv) Credit risk management

Risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

In the normal course of business, the Group participates in cash pooling arrangements with its counterparty bank. The maximum exposure to a single banking group for deposits and funds held on account at the year end was £45.9 million (FY23: £58.4 million). The Group will not accept any counterparty bank for its deposits unless it has been awarded a minimum recognised credit rating of A3/ Prime-2 (Moody’s). Some local banks in emerging markets may have lower ratings but the funds at risk will be small. The Group will permit exposures with individual counterparty banks and exposure types up to pre-defined limits as part of the Group treasury policy. Exposure to all transaction limits is monitored daily.

The Group mitigates its credit risk from trade receivables by using a credit rating agency to assess new clients and payment history to consider further credit extensions to existing clients. In addition, the spread of the client base (over 5,900 clients) helps to mitigate the risk of individual client failure having a material impact on the Group.

The Group does not typically renegotiate the terms of trade receivables; hence the outstanding balance is included in the analysis based on the original payment terms. There were no significant renegotiated balances outstanding at the year end.

The Group’s credit risk from loans given to certain tracker shareholders (note 12) is immaterial. In FY24, one loan was written off, and one remained outstanding (FY23: two outstanding tracker share loans) for the total amount of £0.03 million (FY23: £0.1 million). The remaining loan is expected to be settled when the tracker shares are bought out by the Company, when the individual receives a dividend or if he leaves the business.

Climate-related matters

In the current year, the management team continued to monitor and mitigate any potential deterioration in clients’ credit risk. No material financial impact or deterioration in our clients’ ability to settle their debt obligations was identified.

In line with the Group’s climate change strategy, our ambition is to deliver an appropriate level of oversight of ESG-related matters across our global client-base. This will help us to assess how our clients address ESG matters within their organisations, and whether their policies meet our standards and risk appetite.

Credit rating

The Group uses the following categories of internal credit risk rating for financial assets which are subject to ECLs under the three-stage general approach. These categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis of recognition of ECLs
Performing	Clients have a low risk of default and a strong capacity to meet contractual cash flows	Lifetime ECLs
Underperforming/ non-performing	Clients negotiating for new credit terms, default in repayment and other relevant indicators that showed customers’ deteriorating financial condition	Lifetime ECLs
Non-performing	Interest and/or principal payment are 90 days past due	Lifetime ECLs
Write-off	Clients with no reasonable expectation of recovery	Asset is written off

Impairment of financial assets

The Group applies the simplified approach by using the provision matrix to measure the lifetime ECLs for trade receivables and contract assets.

At 30 November 2024, cash and cash equivalents, other receivables and refundable deposits are rated with a ‘performing’ internal credit rating. The credit risks on bank balances, other receivables and deposits are low as these balances are placed with reputable financial institutions or companies with good collection track records with the Group.

To measure the ECLs, the Group considers historical payment patterns and credit characteristics of each client and adjusts for forward-looking information such as future prospects of the clients’ core operating industries, the political and economic environment in which the Group’s clients operate, and other information and factors on the clients’ financial condition.

Notwithstanding the above, the Group evaluates the ECLs on clients in financial difficulties and who have defaulted on payments separately. These receivables are not secured by any collateral or credit enhancements.

Trade and other receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group’s credit risk exposure in relation to trade receivables and contract assets as at 30 November 2024 and 30 November 2023 is set out in the provision matrix as follows:

£’000	Current	1–30 days past due	31–60 days past due	61–120 days past due	More than 120 days past due	Total
30 November 2024						
Expected loss rates	0.37%	1.30%	3.97%	8.04%	18.82%	
Gross trade receivables	169,986	35,555	16,256	20,679	26,349	268,825
Contract assets	88,635	–	–	–	–	88,635
Other assets	6,305	–	–	–	–	6,305
Loss allowances	989	463	646	1,662	4,958	8,718

£’000	Current	1–30 days past due	31–60 days past due	61–120 days past due	More than 120 days past due	Total
30 November 2023						
Expected loss rates	0.58%	2.47%	6.70%	8.72%	53.80%	
Gross trade receivables	187,718	27,279	13,215	8,650	8,663	245,525
Contract assets	94,091	–	–	–	–	94,091
Other assets	5,011	–	–	–	–	5,011
Loss allowances	1,664	674	886	754	4,661	8,639

(v) Interest rate risk management

The Group is exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows or the fair values of its financial instruments, principally financial liabilities. The Group finances its operations through a mixture of retained profit and the RCF.

The Group does not hedge the exposure to variations in interest rates.

Taking into consideration all variable rate borrowings and bank balances at 30 November 2024, if the interest rate payable or receivable moved by 100 basis points in either direction, the effect to the Group would be minimal. 100 basis points was used on the assumption that applicable interest rates are not likely to move by more than this basis given the pattern of interest rate movements in recent years.

(vi) Interest rate profile of financial assets and financial liabilities

At the reporting date, the Group and the Company did not have any significant financial liabilities exposed to interest rate risk. The only financial assets which accrued interest were cash and cash equivalents (note 13) with maturity of less than a year and were subject to floating interest income.

(vii) Currency profile of net cash and cash equivalents (including bank overdrafts)

£’000	Net cash and cash equivalents				
	Sterling	Euro	US Dollar	Other	Total
At 30 November 2024					
Functional currency of Group operations					
Sterling	7,909	34,292	17,734	1,404	61,339
Euro	–	3,281	–	2,240	5,521
US Dollar	–	–	1	243	244
Other	–	–	942	1,622	2,564
	7,909	37,573	18,677	5,509	69,668

£’000	Sterling	Euro	US Dollar	Other	Total
At 30 November 2023					
Functional currency of Group operations					
Sterling	29,372	34,573	4,209	465	68,619
Euro	–	7,388	–	182	7,570
Other	–	–	399	6,614	7,013
	29,372	41,961	4,608	7,261	83,202

Other foreign currencies held by the Group include Hong Kong Dollar, Japanese Yen, Malaysian Ringgit, Qatari Riyal, Singapore Dollar, Saudi Arabia Riyal, Swiss Franc, Swedish Krona and United Arab Emirates Dirham. The Company does not have a material exposure to other currencies.

Notes to the financial statements continued
for the year ended 30 November 2024

23 Financial instruments and financial risk management continued

(b) Financial risk factors continued

(viii) Fair value

For all financial instruments, the carrying amount is either the fair value, or approximates the fair value.

Fair value is the amount at which a financial instrument could be exchanged in an arm’s length transaction between informed and willing parties, other than a forced or liquidation sale, and excludes accrued interest.

Where relevant, market values were used to determine fair values. Where market values were not available, fair value was calculated by discounting expected cash flows at prevailing interest rates and by applying year-end.

Summary of fair value methods and assumptions	
Receivables and payables	Due to the short-term nature of the current receivables and payables, their carrying amount is considered to be the same as their fair value.
Cash and cash equivalents, including short-term deposits	Approximates the carrying amount because of the short maturity of these instruments.
Borrowings	The carrying amount of the Group’s borrowings, primarily the RCF, approximates their fair value. The fair value of the RCF is estimated using discounted cash flow analysis based on the Group’s current incremental borrowing rates for similar types and maturities of borrowing and is consequently categorised in level 2 of the fair value hierarchy.

24 Subsequent events

Following 30 November 2024, STthree launched a share buyback programme of up to £20 million, which will be completed over the next six months. In light of STthree’s cash generation and strong balance sheet, the Board considers it prudent to launch the buyback, in line with its stated capital allocation policy. Following completion of the buyback programme the Group expects to retain a net cash position reflecting the overall capital needs of the business.

25 List of subsidiaries

The full list of STthree plc’s subsidiaries at 30 November 2024 and the Group percentage of ordinary share capital and voting rights is as follows:

Name of undertaking	%	Country of incorporation	Principal activities	Registered office
STthree Austria GmbH	100	Austria	Recruitment	Wiedner Gurtel 13, Turm 24, 10 OG. 1100 Vienna, Austria
STthree Temp Experts Österreich GmbH	100	Austria	Recruitment	Wiedner Gurtel 13, Turm 24, 10 OG. 1100 Vienna, Austria
Computer Futures Solutions NV	100	Belgium	Recruitment	Kreupelenstraat 9, 5de en 6de verdieping, B-1000 Brussels, Belgium
Huxley Associates Belgium NV	100	Belgium	Recruitment	Kreupelenstraat 9, 5de en 6de verdieping, B-1000 Brussels, Belgium
STthree Services NV	100	Belgium	Recruitment	Kreupelenstraat 9, 5de en 6de verdieping, B-1000 Brussels, Belgium
STthree Belgium NV	100	Belgium	Recruitment	Kreupelenstraat 9, 5de en 6de verdieping, B-1000 Brussels, Belgium
STthree SAS	100	France	Recruitment	124 Rue Réaumur, Paris, 75002, France
STthree Holdings GmbH	100	Germany	Holding company	Querstrasse 7, 60322, Frankfurt am Main, Germany
STthree GmbH	100	Germany	Recruitment	Querstrasse 7, 60322, Frankfurt am Main, Germany
STthree Temp Experts GmbH	100	Germany	Recruitment	Querstrasse 7, 60322, Frankfurt am Main, Germany
STthree Services GmbH	100	Germany	Recruitment	Querstrasse 7, 60322, Frankfurt am Main, Germany
STthree Limited	100	Hong Kong	Dormant	Suite 3201, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong
STthree India Private Limited	100	India	Involuntary liquidation	511 The Corporate Centre, Nirmal Lifestyle Mall, LBS Road, Mulund (West), Mumbai, Maharashtra-MH. 400080, India
STthree Staffing Ireland Limited	100	Ireland	Dormant	Pembroke Hall, 38/39 Fitzwilliam Square West, Dublin 2, D02 NX53, Ireland
STthree K.K.	100	Japan	Recruitment	Kabukiza Tower, 12–15, Ginza 4-chome, Chuo-ku, Tokyo, Japan

Name of undertaking	%	Country of incorporation	Principal activities	Registered office
STthree S.à r.l.	100	Luxembourg	Dormant	55, rue de Luxembourg, L-8077 Bertrange, Grand Duchy of Luxembourg
Progressive Global Energy Sdn. Bhd.	49	Malaysia	Recruitment	Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, Kuala Lumpur, 50470, Malaysia
STthree Holdings BV	100	Netherlands	Recruitment	Gustav Mahlerlaan 38, Gebouw Som 1, 1082MC, Amsterdam, Netherlands
Huxley BV	100	Netherlands	Recruitment	Keizersgracht 281, 5e verdieping, 1016ED, Amsterdam, Netherlands
STthree Interim Services BV	100	Netherlands	Recruitment	Gustav Mahlerlaan 38, Gebouw Som 1, 1082MC, Amsterdam, Netherlands
STthree Middle East for Business Services Limited Liability	100	Saudi Arabia	HR Services	Astrolabs Riyadhi, 3141 Anas Ibn Malik Rod, Al Malqa, Riyadh 13521, Saudi Arabia
STthree Pte. Ltd.*	100	Singapore	Dormant	18 Cross Street #14-01, Cross Street Exchange, Singapore, 048423, Singapore80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624,
STthree Business Services Ibérica, S.L.	100	Spain	Recruitment	Carrer de Balmes, 89, Barcelona, 08008, Spain
STthree Switzerland GmbH	100	Switzerland	Recruitment	3rd Floor, Claridenstrasse 34, 8002 Zürich, Switzerland
Cavendish Directors Limited**	100	UK	Dormant	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree UK Holdings Limited**	100	UK	Holding compa	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree Overseas Holdings Limited**	100	UK	Holding company	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree UK Management Limited**	100	UK	Holding company	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree Overseas Management Limited**	100	UK	Holding company	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree UK Operations Limited**	100	UK	Holding company	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree Euro UK Limited	100	UK	Support services	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree IP Limited**	100	UK	Support services	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree Management Services Limited**	100	UK	Management services	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree Partnership LLP	100	UK	Recruitment	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
Huxley Associates Global Limited	100	UK	Recruitment	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
Progressive Global Energy Limited	100	UK	Recruitment	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
Elevize Limited	100	UK	Support services	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
STthree Dollar UK Limited	100	UK	Support services	Level 16, 8 Bishopsgate, London, EC2N 4BQ, United Kingdom
Specialist Staffing Holdings Inc.	100	USA	Holding company	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Specialist Staffing Solutions Inc.	100	USA	Recruitment	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Specialist Staffing Services Inc.	100	USA	Recruitment	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States

* The operations in this entity were discontinued. It will remain dormant until the liquidation process is completed.
** Directly held subsidiaries. All other subsidiaries are indirectly held.

Statutory guarantees and audit exemptions:

The following Group entities are exempt from audit by virtue of Section 479A of the Companies Act 2006. STthree plc has provided statutory guarantees to all these entities in accordance with the Companies Act:

Elevize Limited	STthree Euro UK Limited
Huxley Associates Global Limited	STthree IP Limited
Progressive Global Energy Limited	STthree Management Services Limited
STthree Dollar UK Limited	STthree UK Operations Limited

Notes to the financial statements continued
for the year ended 30 November 2024

26 Alternative performance measures (APMs): definitions and reconciliations

In discussing the performance of the Group, comparable measures are used.

The Group discloses comparable performance measures to enable users to focus on the underlying performance of the business on a basis which is common to both periods for which these measures are presented. The reconciliation of comparable measures to the directly related measures calculated in accordance with UK-adopted International Accounting Standards (IAS) is as follows.

APMs in constant currency

As the Group operates in 11 countries, and with many different currencies, it is affected by foreign exchange movements, and the reported financial results reflect this. However, the Group business is managed against targets which are set to be comparable between years and within them, for otherwise foreign currency movements would undermine the management ability to drive the business forward and control it. Within this Annual Report and Accounts, comparable results have been highlighted on a constant currency basis as well as the results on a reported basis which reflect the actual foreign currency effects experienced.

The Group evaluates its operating and financial performance on a constant currency basis (i.e. without giving effect to the impact of variation of foreign currency exchange rates from year to year). Constant currency APMs are calculated by applying the prior year foreign exchange rates to the current and prior financial year results to remove the impact of exchange rate.

Measures on a constant currency basis enable users to focus on the performance of the business on a basis which is not affected by changes in foreign currency exchange rates applicable to the Group’s operating activities from period to period.

The calculations of the APMs on a constant currency basis and the reconciliation to the most directly related measures calculated in accordance with UK-adopted IAS are as follows:

£'000, unless otherwise stated	2024					
	Revenue	Net fees	Operating profit	Operating profit conversion ratio*	Profit before tax	Basic EPS (pence)
Reported	1,492,906	369,079	66,194	17.9%	67,640	37.4
Currency impact	33,786	9,515	3,043	0.4%	3,018	1.7
In constant currency	1,526,692	378,594	69,237	18.3%	70,658	39.1

£'000, unless otherwise stated	2023					
	Revenue	Net fees	Operating profit	Operating profit conversion ratio*	Profit before tax	Basic EPS (pence)
Reported	1,663,167	418,775	76,356	18.2%	77,915	42.4

* Operating profit conversion ratio represents operating profit over net fees.

To calculate the YoY variances in constant currency, management compared the FY24 results in constant currency versus the FY23 reported results.

Other APMs

Net cash excluding lease liabilities

Net cash is an APM used by the Directors to evaluate the Group’s capital structure and leverage. Net cash is defined as cash and cash equivalents less current and non-current borrowings excluding lease liabilities, less bank overdraft, as illustrated below:

£'000	30 November 2024	30 November 2023
Cash and cash equivalents	69,756	83,202
Bank overdraft	(88)	–
Net cash	69,668	83,202

EBITDA

In addition to measuring financial performance of the Group based on operating profit, the Directors also measure performance based on EBITDA. It is calculated by adding back to the reported operating profit non-cash items such as the depreciation of property, plant and equipment (PPE), the amortisation and impairment of intangible assets, loss on disposal of PPE and intangible assets, gain on lease modification and the employee share options charge. Where relevant, the Group also uses EBITDA to measure the level of financial leverage of the Group by comparing EBITDA to net debt.

A reconciliation of reported operating profit for the year, the most directly comparable UK IAS measure, to EBITDA is set out below.

£'000	2024	2023
Reported operating profit for the year	66,194	76,356
Depreciation of PPE	15,230	15,898
Amortisation and impairment of intangible assets	24	16
Loss on disposal of PPE and intangible assets	135	160
Gain on lease modification	(69)	–
Gain on disposal of subsidiaries	(135)	–
Employee share options charge	4,986	4,871
EBITDA	86,365	97,301

Dividend cover

The Group uses dividend cover as an APM to ensure that its dividend policy is sustainable and in line with the overall strategy for the use of cash. Dividend cover is defined as the number of times the Company is capable of paying dividends to shareholders from the profits earned during a financial year, and it is calculated as the Group’s profit for the year attributable to owners of the Company over the total dividend paid to ordinary shareholders.

£'000	2024	2023
Profit for the year attributable to owners of the Company	A 49,692	56,051
Dividend proposed to be paid to shareholders (note 8)	B 19,045	21,710
Dividend cover	(A ÷ B) 2.6	2.6

Contract margin

The Group uses contract margin as an APM to evaluate contract business quality and the service offered to customers. Contract margin is defined as contract net fees as a percentage of contract revenue.

£'000, unless otherwise stated	2024	2023
Contract net fees	A 310,617	343,502
Contract revenue	B 1,431,133	1,584,215
Contract margin	(A ÷ B) 21.7%	21.7%

Total shareholder return (TSR)

The Group uses TSR as an APM to measure the growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional shares at the closing price applicable on the ex-dividend date. The TSR is calculated by the external independent data-stream party.

pence, unless otherwise stated	2024	2023
SThree plc TSR return index value: three-month average to 30 Nov 2021 (FY23: 30 Nov 2020)	528.47	240.74
SThree plc TSR return index value: three-month average to 30 Nov 2024 (FY23: 30 Nov 2023)	382.78	365.25
Total shareholder return	(27.6%)	51.7%

	30 November 2024	30 November 2023	30 November 2022	30 November 2021	30 November 2020
Financial metrics					
Revenue (£'m)	1,492.9	1,663.2	1,639.4	1,330.7	1,202.6
Net fees (£'m)	369.1	418.8	430.6	355.7	308.6
Operating profit (£'m) ¹	66.2	76.4	77.6	60.8	31.3
Operating profit conversion ratio ¹	17.9%	18.2%	18.0%	17.1%	10.1%
Basic EPS (pence) ¹	37.4	42.4	41.0	31.8	13.9
Other Group ratios					
Total assets (£'m)	506.7	472.3	470.4	400.6	334.5
Total equity (£'m)	248.6	222.9	200.4	158.2	128.5
Net cash (£'m)	69.7	83.2	65.4	57.5	49.9
Cash from operations (£'m) ²	59.8	86.9	64.4	54.5	76.9
Dividends per share (pence)	14.3	16.6	16.0	11.0	5.0
Group operational statistics					
Average total headcount ³	2,649	2,819	2,890	2,588	2,894
Average sales headcount ³	1,823	1,981	2,114	1,911	2,219
Active contractors at year end	9,955	11,606	12,533	11,809	9,523

1. The results for the financial years 2020 to 2021 are presented on an adjusted basis, i.e. excluding the impact of exceptional items.

2. Cash from operations for FY23 has been restated for prior year presentation error (see note 1 to the Consolidated Financial Statements for details).

3. Based on full-time equivalents.

Results announcement timetable

SThree plc confirms the following forthcoming dates in the Group financial calendar:

2025

18 March 2025	FY25 Q1 Trading Update
29 April 2025	Annual General Meeting*
24 June 2025	FY25 Half Year Trading Update
29 July 2025	FY25 Half Year Results
16 September 2025	FY25 Q3 Trading Update
16 December 2025	FY24 Trading Update

2026

27 January 2026	FY25 Final Results
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* The Group does not normally provide a trading update at the time of its Annual General Meeting.

Other Information continued

Shareholder information

Shareholders with enquiries relating to their shareholding should contact Computershare Investor Services.

Alternatively, you may access your account via www.investorcentre.co.uk, but will need to have your Shareholder Reference Number (SRN) available when you first log in. This can be found on your Welcome letter or other correspondence received from Computershare relating to your shareholding. The online facility also allows shareholders to view their holding details, update their address and dividend mandate instructions.

Shareholders who would prefer to view documentation electronically can also elect to receive automatic notification by email each time the Company distributes documents, instead of receiving a paper version of such documents. You can again choose your preferred communication method by using the shareholder portal at www.investorcentre.co.uk. Alternatively, you can register your request via the registrar by calling +44 (0)370 707 1412. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 08.30–17.30, Monday to Friday excluding public holidays in England and Wales. Should you wish to change your mind or request a paper version of any document in the future, you may do so by contacting the registrar.

Potential targeting of shareholders

Companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based brokers who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. They can be very persistent and extremely persuasive. It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years.

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

Reject unexpected offers

Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you have been offered an investment out of the blue, chances are it is a high-risk investment or a scam.

Check the Financial Conduct Authority (FCA) Warning List

Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without FCA authorisation.

Get impartial advice

Get impartial advice before investing – do not use an adviser from the firm that contacted you.

You can report a firm or scam to the FCA on 0800 111 6768 or through ScamSmart – Avoid investment and pension scams | FCA.

If you have lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk.

Share price information

Information on the Company’s share price can be found via: www.sthree.com.

ShareGift

ShareGift (reg charity no. 1052686) operates a charity share donation scheme for shareholders with small parcels of shares whose value may make it uneconomic to sell. Details of the scheme are available from www.sharegift.org or by calling 0207 930 3737.

Company information and corporate advisers

Executive Directors

Timo Lehne
Chief Executive Officer

Andrew Beach
Chief Financial Officer

Whistleblowing hotline

Tel: (UK) 0800 915 1571
Website: www.safecall.co.uk/report

Financial advisers and stockbrokers

Berenberg
60 Threadneedle Street
London
EC2R 8HP

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Financial PR

Alma Strategic Communications
71–73 Carter Lane
London
EC4V 5EQ

Auditors

Ernst & Young LLP
5 George Square
Glasgow
G2 1DY

Registrars (ordinary shares)

Computershare
The Pavilions Bridgwater Road
Bristol
BS13 8AE
Tel: (UK) +44 (0)370 707 1412*
Shareholder Portal: www.investorcentre.co.uk

* Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 08.30–17.30, Monday to Friday excluding public holidays in England and Wales.

Group Company Secretary and registered office

Kate Danson
Group Company Secretary
Level 16, 8 Bishopsgate
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Email: cosec@sthree.com

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Printed by a carbon neutral company to the EMAS standard and Environmental Management System certified to ISO 14001. This product is made using recycled materials limiting the impact on our precious forest resources, helping reduce the need to harvest more trees.

This publication has been manufactured using 100% offshore wind electricity sourced from UK wind.

100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.



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