Engaging with our stakeholders

How the Board complied with its Section 172 duty

The trust of our shareholders and other stakeholders is essential to SThree remaining a reliable and sustainable business in the long term.

As a recruitment business with global scale and expertise, we recognise the significance of strong relationships with all our stakeholders. We maintain dialogue through different communication channels, such as regular customer and employee satisfaction surveys, investor presentations, virtual events, charitable events or investor meetings.

The global health crisis has meant that working practices, attitudes and market trend timelines are changing rapidly and in today’s climate, stakeholder relationships are more fundamental than ever before. The COVID-19 health crisis has raised new questions, such as how we connect with our shareholders, candidates/clients and others; how we manage a team that we can no longer just walk up to; or how we set market expectations in a fast-changing environment.

Through working collaboratively with, and listening to feedback from, the Company’s many stakeholders, the Board believes that SThree is well positioned to deliver our investor proposition, while responding to increasing stakeholders’ expectations and uncertainty. A crisis such as this is a real test of how well we manage the relationships within and outside our organisation.

For our business to come out of these unprecedented times stronger and more resilient, it is crucial that all our stakeholders remember who we are and what we do.

The Board has a well-established corporate governance framework with key principles outlining:

- the Board’s strategic leadership of the Group;
- prudent and effective controls to enable proper risk assessment and management;
- Terms of Reference for conduct of the Board’s Committees; and
- the Board’s processes to create value for stakeholders, including approval of the Group’s long-term strategy and ambitions, whilst ensuring that the necessary financial and other resources are in place to enable these objectives to be met.

In undertaking this, the Board also reviews management performance and oversees the Company’s values and standards, with all Directors acting in what they consider the best interests of the Company, consistent with their statutory duties.

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While having regard to the matters set out in Section 172(1)(a) to (f) of the CA2006, the Directors, through the SThree plc Board, continued to exercise their duties to govern and promote the success of the Group for the benefit of its stakeholders.

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How we engage and foster strong relationships with some of our key stakeholders

Our people

Why we engage
Our people are the Lifeblood of SThree. Their entrepreneurial spirit is embedded in our culture and underpins our ongoing success.

We recognise that employees' engagement is essential to enhancing our Company culture, retaining our talent and is a booster to productivity.

Listening to our people's views is therefore critical to the Board's decision-making, and the engagement of colleagues is a major factor driving efficiency, customer relationships and therefore profitability.

How we engage
We maintain a constructive and ongoing dialogue with our people through regular employee-led forums, business resource groups, CEO Town Halls and Q&A sessions, as well as the Group intranet, social media channels, webinars and face-to-face meetings.

We also organise frequent pulse surveys to get direct feedback and understanding of matters important to our global workforce. The responses and feedback allow the Board to develop and work on people priorities and development plans.

Furthermore, our annual ANPS survey measures the organisational response to engagement and helps us to build plans and strategies to address the feedback and effect tangible change.

Executive Directors and senior management launch regular update videos to maintain colleague morale in challenging times. As part of our commitment to the UK Corporate Governance Code, we have a dedicated Non-Executive Director (NED) responsible for engagement, Denise Collis, who runs a series of focus groups to ensure a two-way dialogue between our people and the Board.

This year was overshadowed by the global COVID-19 health crisis, with ongoing wellbeing and engagement within our teams therefore a top priority. We launched various initiatives to drive engagement and foster a sense of community and inclusion across our teams.

As a response to a pulse survey on wellbeing, we recognised the call out for more support in this area both during COVID-19 and as a long-term part of our culture. We developed a dedicated SharePoint site with materials and guidance on managing remote teams. It also offers guidance on remote working for our teams, tools and tactics to best communicate with customers and others. Together, these measures should help us meet evolving needs in these unprecedented times.

In addition, we have accelerated investment in our digital learning platform to provide learning on demand for all.

In response to the BLM movement in the USA, and as people across the world came together to stand united against racism, we accelerated the implementation and actions within our global D&I strategy, in which Race & Ethnicity is a key global pillar. These included an email and video update from our CEO to all our people on anti-racism, stating that discrimination has no place at SThree, as well as a request to all employees to sign a pledge.

Our response to key matters raised in 2020
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As a response to a pulse survey on wellbeing, we recognised the call out for more support in this area both during COVID-19 and as a long-term part of our culture. We developed and launched a wellbeing programme called THRIVE which provides tools, support and resources to help people look after their body and mind, set purpose, personal growth and financial stability.

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We also ran a series of focus groups to hear about people's experiences and perceptions on a range of topics, e.g. relating to ESG (environmental, social and corporate governance) and D&I. The focus groups covered themes and outcomes that fed into global strategies and directly contributed to future action plans.

Inside our crisis response
As part of the ongoing crisis management, we formed a dedicated COVID-19 crisis management team (‘CMT’) made up of key senior managers from across the business.

The CMT has monitored outbreak developments closely by tracking key business lead indicators and following the guidance issued by the local national governments.

It has convened at least weekly to ensure that all possible actions to mitigate the impact are taken quickly and effectively, whilst ensuring continued focus and consideration of all key stakeholders, regions and business areas. It has reviewed its response in line with the priority of keeping our people, candidates and clients safe and operations going.

About the Office Closure Tiering System
The second wave of COVID-19 was identified as a fast-moving emerging risk, with large parts of our business having to re-close offices resulting in our people working from home. To help people understand the decisions being made, there was a requirement for a transparent office closure policy which allows for data-driven decisions on the status of the offices globally.

The policy contains a tier system with four stages, each with slowly reducing office capacity and restrictions on other work-related activities through to full closure with exceptions for those who have critical business activities which cannot be performed at home. The policy allows the Group to keep its offices open for as long as it is deemed safe to do so in order to provide a safe working space for our colleagues whilst also being mindful of our moral obligation to wider society in helping to reduce the number of people moving around.

The tier system has a built-in holding period to ensure that we do not reopen offices before it is safe to do so but also allows closure of an office quickly in the event of increase in infection rates.

The metrics being used are from reliable public sources which are consistent globally as it is important the policy is clear and transparent for our colleagues who will be impacted.

We recognise that this is a difficult time for our people and there is continued uncertainty. Where possible, the Group provides assistance through roll-out of the correct equipment to work at home safely, supportive policies on sick pay and dependant leave, and access to employee assistance programmes which provide counselling, legal support and other resources.

STAKEHOLDER ENGAGEMENT
HOW WE ENGAGE AND FOSTER STRONG RELATIONSHIPS
How we engage and foster strong relationships with some of our key stakeholders

Our clients and candidates

Why we engage

- Regular engagement with all our customers, clients, and candidates builds trust, strengthens business relationships, and helps our recruiting consultants develop a personal network that allows for a wider reach of our brands, including by prospective customers.

- Our better understanding of customer gives us a huge competitive advantage as it helps us adopt our business and strategy by investing in the right vertical niches and improving and developing our service proposition that is more relevant to evolving customer needs. Ultimately it helps us remain the STEM talent provider of choice in our markets and a sustainable value creator.

Our response to key matters raised in 2020

- This year deepened our understanding of challenges faced by candidates in current STEM job markets: client enquiring preferences and buying behaviours, rise in candidate selection and placement, and a rise in supply of, and demand for, flexible working arrangements giving access to a broader pool of candidates.

- The insights were used by the Board to refine the Group service proposition and to make well-informed investment decisions to drive even stronger sales execution.

- We made significant progress in streamlining our product and service portfolio by having a very clear and transparent go-to-market strategy.

- We continued to strengthen our culture at market with a relentless focus on excellence in service execution. We invested in our sales operating model, by digitising internal processes, and modernising operational systems in local support functions.

- In response to the increased digitisation and restructured customer channels, we invested in virtual solutions that allow our consultants to connect with hiring managers and candidates in real time.

- We started offering remote onboarding and assisting with candidates’ cultural fit – two key needs raised by our customers in challenging market conditions.

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- We equipped our marketing team with data and advanced analytic tools to drive actionable insights. For example, they delivered Thought Leadership articles which proved to be highly effective in positioning our business as a valuable partner and leader in the recruitment industry.

- The produced content delivered value by educating and informing customers about topics relevant to their businesses. Inspiring them to act differently, and helping them decide about solutions to the challenges they faced.

How we engage

- Our recruiting consultants play a critical role in engaging with our customers. This year, they adapted to new ways of communicating with our customers by raising our profile and presence in a more virtual world.

- By engaging through multiple new online channels, our consultants ensured regular interaction with customers to understand issues, challenges, opportunities, changing demands and needs.

- We reached out to over 300 client globally to understand how they were navigating the health crisis, gathering insights to inform our approach moving forward. Our consultants also launched pulse surveys, delivered Thought Leadership articles, issued videos, and organised virtual events and webinars.

- Our #STEMSeries virtual events with panellists from across the markets attracted large audiences amongst our clients and candidates. We delivered 75 #STEMSeries events with nearly 2,754 participants. During these, we shared industry experts’ advice and tips on multiple topics relevant to the present market environment, e.g. the future of the workplace, the role of technology in the new normal, how to improve socio-economic mobility within STEM careers, how to widen the talent pool to close STEM skill gaps, and best practices for cultivating D&I in the workplace.

- Case study

Launch of #STEMSeries virtual events

In 2020 we collaborated with clients to deliver #STEMSeries virtual events. Over 5,600 people registered for our events to learn and develop. This included events addressing topics related to career barriers, diversity in STEM and personal development. We collaborated with community partners and clients to deliver virtual events specifically for young people teams underrepresented communities, helping them understand pathways into STEM careers.

Launch of STEM Career Pathways programme

In 2020 we launched a STEM Career Pathways programme in the USA, in which we deliver interventions that support people at risk of unemployment and underemployment. Within the programme candidates volunteer their time to mentor students, developing their own leadership and coaching skills whilst supporting the next generation of diverse tech talent. We will expand this programme into other markets in 2021.

Case study

People registered for our events
How we engage and foster strong relationships with some of our key stakeholders

Our shareholders

Why we engage

We aim to instil confidence in our investors and win their trust in, and long-term support of, our business. Our investors want to know about our business resilience, growth prospects and sustainability. It is critical that we respond to them most appropriately, with complete, accurate and understandable information including details about our strategy and the operational and financial performance of Sthree.

This in turn allows our investors to develop a full picture of the Company and helps them make informed investment decisions.

Our response to key matters raised in 2020

At the start of the year, we engaged our Andhra Pradesh customer, as they have a significant business in India, and where we have one of our largest headcounts. We also engaged with many employers that we source our candidates from, including三星 partners, and followed up with them to understand how they were managing the crisis. To date, the Sthree team has maintained contact with over 300 customers, with each conversation lasting an average of over 15 minutes, to understand their concerns, challenges and requirements.

We promptly shared information about all relevant decisions affecting shareholders.

We took a number of measures to ensure the business remained on a strong financial footing in the short term, whilst retaining the skills, capacity and management capability to fulfil our long-term ambitions. For example:

• To preserve liquidity reserves and to ensure we meet financial obligations as they fall due, we made temporary adjustments that affected our shareholders.
• We withdrew the 2019 final dividend of 10.2 pence per share, as detailed in the Notice of the 2020 AGM.
• We scaled back non-essential capital expenditure and discretionary costs, making only targeted investments in strategic initiatives.
• We temporarily adjusted executive pay and Non-Executive Directors (‘NED’) fees (including salary and bonus opportunity); and
• We froze hiring, managing headcount as appropriate and aligned with local conditions.

These initiatives helped us demonstrate to our shareholders that not only our ability to adapt almost instantly to exceptional circumstances but, crucially, how we can remain a valuable and reliable business by continuing to execute against our strategy, whilst improving the underlying sequential performance and resilience.

We also dealt with many enquiries regarding the Group’s headcount, performance in the USA and DACH to other regions. Investors also learnt about the Group’s headcount investment plans and plans to focus on UK market niches to overcome UK market conditions. Particular focus was put by investors on understanding how Sthree accelerated the use of technology to cope in the crisis, to facilitate the response to, and engage with, customers, and for the Board to make more informed decisions.

How we engage

We communicate regularly through formal regulatory announcements, webinars, press releases about other material developments in our business (including sentiment surveys) and more directly through investor roadshows with one-to-one consultations and group meetings covering both larger institutions internationally as well as targeted sections of the UK private wealth and retail investor community.

We also receive feedback on shareholder views through the Company’s stockbrokers and financial advisors.

Throughout the year there is an ongoing dialogue between the Chair, other Non-Executive Directors, and the investor community to address governance and/or strategy matters, with investors also met.

Our local communities

Why we engage

Our business model is built around communities. Our candidates, clients, and colleagues are instrumental within their local community. It is within these communities that we source our business opportunities - when our community thrives, our business thrives, and vice versa.

There's a growing skills shortage in the markets where we operate. Local communities provide a source of potential talent and in return, through our services, we provide quality inclusive opportunities for work and economic growth.

In addition, the clients we work with are at the forefront of solving some of the world's most complex challenges. This includes solutions to overcome climate change.

We communicated with some of our key stakeholders to understand what pressures Sthree had to overcome from which we can learn.

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How we engage

We bring skilled people together to build the future. Through our work we source, nurture and place talent who solve complex world challenges.

We partner with clients to deliver the skills needed to work towards the United Nations Sustainable Development Goals.

We nurture communities to ensure we can develop the skills needed for a sustainable future. This includes delivering a variety of employability initiatives to build diverse talent and help reduce unemployment in underserved communities.

We also deliver STEM Career Pathways, where we partner with education and non-profit organisations to ensure people from underserved communities have access to STEM careers.

Our response to key matters raised in 2020

We witnessed an unprecedented need to support communities as we continued to navigate the global health crisis. Our response was to strengthen and increase our support to local communities.

• We increased our paid volunteering leave to 40 hours and as a result our people contributed 2,408 hours to support our local communities (whilst following the restrictions in place).
• Unemployment became a growing concern for every community in which we operate. Data shared by the United Nations highlighted low wage, informal workers are at heightened risk. We developed a programme to use our skills to provide employability support via webinars, virtual skills development sessions, mentoring, CV reviews and much more. Over 670 people accessed our interventions.
• We launched the STEM Career Pathways programme in the USA, mobilising our candidates as mentors, our clients to provide work opportunities, and non-profit education to deliver accredited tech training.