

C0. Introduction

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C0.1

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**(C0.1) Give a general description and introduction to your organization.**

SThree is the only global pure play specialist staffing business focused on roles in STEM (Science, Technology, Engineering and Mathematics). It brings skilled people together to build the future through the provision of specialist Contract and Permanent services to a diverse client base of over 9,000 clients. From its well-established position as a major player in the Technology sector, the Group has broadened the base of its operations to include businesses serving the Banking & Finance, Energy, Engineering and Life Sciences sectors.

Since launching its original business, Computer Futures, in 1986, the Group has adopted a multi-brand strategy, establishing new operations to address growth opportunities. SThree brands include Progressive, Computer Futures, Huxley Associates and Real Staffing Group. The Group has circa 3,000 employees in sixteen countries.

SThree plc is quoted on the Official List of the UK Listing Authority under the ticker symbol STEM and also has a USA level one ADR facility, symbol SERTY.

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	December 1 2018	November 30 2019	No	<Not Applicable>

C0.3

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**(C0.3) Select the countries/areas for which you will be supplying data.**

- Australia
- Belgium
- France
- Germany
- Ireland
- Japan
- Luxembourg
- Netherlands
- Singapore
- Switzerland
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

- GBP

C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

- Financial control

C1. Governance

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C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The Board are responsible for setting the direction of SThree's business strategy with respect to CSR matters, including climate change, setting climate-related targets and assessing and managing climate-related risks and opportunities. The Chief Executive Officer who sits on the Board, has overall responsibility for CSR matters, including climate-related issues and is responsible for reporting to shareholders and the Board. To support the CEO in this role, the Board has appointed a Group CSR Committee, with attendees including Executives, senior management, Non-Executives, as well as key influencers and external advisors.

C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding strategy</li> <li>Reviewing and guiding major plans of action</li> <li>Reviewing and guiding risk management policies</li> <li>Reviewing and guiding annual budgets</li> <li>Setting performance objectives</li> <li>Monitoring implementation and performance of objectives</li> </ul>	<Not Applicable>	SThree works closely with a third-party sustainability consultancy to stay abreast of climate-related issues, risks and opportunities. Regular environmental information such as changes in legislation, project ideas for emissions reduction activities, and performance monitoring of annual emissions are reviewed and discussed by the CSR Committee 4 times per year. The Group CSR Committee includes Executives, senior management, Non Executives, as well as key influencers and external advisors. The committee is responsible for relaying relevant information to the Board in order to make decisions and stay up to date with material issues for the business. As an example of progress made recently, emissions reductions are now embedded in the budgeting process, for example a capital expenditure budget for efficiency investments has been established and the travel budget has been reduced in line with travel reduction targets.

C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Corporate responsibility committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

- The Chief Executive Officer: The Chief Executive Officer who sits on the Board, has overall responsibility for CSR matters, including climate-related issues and is responsible for reporting to shareholders and the Board. The CEO is ultimately responsible for both assessing and managing climate-related risks and opportunities. To reflect this responsibility, a monetary bonus linked to the achievement of company-wide carbon reduction targets was established for the CEO. To support the CEO in this role, the Board has appointed a Group CSR Committee, with attendees including Executives, senior management, Non-Executives, as well as key influencers and external advisors to ensure the wider business is represented. Main responsibilities of the Group CSR Committee are to manage climate-related risks and opportunities and the implementation of initiatives across its global portfolio. Each appointed member of the Group CSR Committee has oversight of key business functions within SThree, providing comprehensive coverage of climate-related issues across the business.

- Head of CSR: The Head of CSR is responsible for implementing SThree's overarching sustainability strategy, including undertaking target-setting work with external consultants and ensuring compliance with all environmental legislation across its global markets. They manage the annual emissions reporting process and are responsible for improving SThree's performance year on year.

- Group Chairman: The Chairman of the Group Board sits on the CSR Committee to give insights and advice related to the Board's main strategy. They ensure the committees decision-making is reported to the board and that any climate-related risks and opportunities are managed appropriately.

### C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	N/A

### C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Efficiency target	Financial incentives are in place and are awarded based on good performance against a number of KPIs across a range of factors under a balanced score card approach. These KPIs incorporate ESG/CSR aspects and bonuses are awarded based on performance against these KPIs. Whilst most KPIs are individual, some high-level KPIs which apply generally to management, including the most senior, include: - Helping the business to reduce carbon emissions by 20% by 2024 - Helping to improve office engagement in carbon data capture and behaviour change
Other, please specify (Head of CSR)	Monetary reward	Efficiency target	The Head of CSR has specific KPI's around the following areas: - Compliance with all relevant environmental legislation - Engaging employees, particularly around recycling rates and paper usage Achieving these KPI's is rewarded with a monetary bonus for the Head of CSR.
Management group	Monetary reward	Efficiency target	Financial incentives are in place and are awarded based on good performance against a number of KPIs across a range of factors under a balanced score card approach. These KPIs incorporate ESG/CSR aspects and bonuses are awarded based on performance against these KPIs. Whilst most KPIs are individual, some high-level KPIs which apply to all management employees include: - Helping the business to reduce carbon emissions by 20% by 2024 - Helping to improve office engagement in carbon data capture and behaviour change

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	3	N/A
Medium-term	3	5	N/A
Long-term	5	8	N/A

**C2.1b**

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**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

We use quantifiable indicators to measure financial impacts, including operating profits (£60m in the reporting year) and operating costs (£282.3m in the reporting year).

A 'substantive financial impact' is defined as one that:

- Leads to 5% reduction in operating profits
- Leads to a 5% increase in operating costs
- Impacts 5 or more offices

A 'substantive strategic impact' is defined as any risks that reduces the ability of the Group to meet its short, medium and long-term objectives.

**C2.2**

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**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

The risk evaluation process is managed by the Board, including for climate-related risks at both a company and asset level. This provides a consistent and systematic approach to understanding and mitigating against climate-related risks (current and future) that may have a substantive financial or strategic impact the Group's ability to achieve its business objectives. Risks are identified, documented, assessed in the short, medium and long term and action is taken on a 6-monthly basis. Climate change & associated risks currently included in the Group's risk matrix sit in the low risk and low impact quadrant. Transitional risk case study: As we transition to a net zero economy, we expect increased policy and regulatory requirements. STthree has worked with a third-party sustainability consultancy since 2016 to stay abreast of legislative developments, industry best practice and potential climate change related risks to our business. This starts with the identification of the environmental aspects of our operations which we can control. Our CSR team and our consultants work to identify the risks and opportunities related to these aspects to our business. Any event or circumstance that could prevent the Group's business objectives or goals being achieved are included in the scope of the risks assessment to provide visibility of the risk. Risks are prioritised by way of the Group's ERM processes, with the size and materiality of each risk assessed and compared using their likelihood and potential financial impact. Those scoring high on both measures being prioritised in terms of mitigation effort. For example, in 2018 we identified that we could need to comply with ESOS Phase 2 in the UK. Failure to do would pose a transitional risk in terms of reputational damage and fines. As these regulation was identified ahead of time, we commissioned our third-party consultancy to support us through ESOS compliance. The Board were kept abreast of project developments until compliance was confirmed.

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**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

The risk evaluation process is managed by the Board, including for climate-related risks at both a company and asset level. This provides a consistent and systematic approach to understanding and mitigating against climate-related risks (current and future) that may have a substantive financial or strategic impact the Group's ability to achieve its business objectives. Risks are identified, documented, assessed in the short, medium and long term and action is taken on a 6-monthly basis. Climate change & associated risks currently included in the Group's risk matrix sit in the low risk and low impact quadrant. Physical risk case study: Physical climate-related risks pose a threat to our profitability. If, for example, extreme weather events caused a significant increase in energy consumption, that would impact operating costs. At an asset level therefore, we identify and assess climate-related risks by measuring the energy and resource usage at each of our offices, as well as fuel consumption by company vehicles, on a 6-monthly basis. This process involves collecting monthly environmental data which is processed and profiled to identify areas of high resource consumption. Risks are also identified through building management and engineering services teams at each office. This allows us to identify which offices and also which areas of consumption are the most material to our property portfolio and therefore those which pose the greatest risks and should be prioritised.

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**C2.2a**

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	We have an Enterprise Risk Management ("ERM") framework which is used to ensure the ongoing monitoring of risks (including climate-related risks) and controls by our Audit Committee and Board. Each risk is graded by likelihood and financial impact, with those risks scoring the highest being reviewed by the Board to ensure mitigation actions are implemented. In line with this risk evaluation process, current regulation poses a risk to the business in the short term if not mitigated. STthree must comply with environmental regulation in each of the global markets within which it operates. For example, as a listed company in the UK we must comply with the mandatory GHG reporting requirement as detailed in the Companies Act 2006. Article 8 of the EU Energy Efficiency Directive must also be complied with in the UK, Belgium, France, Germany, Luxembourg and the Netherlands. Article 8 has been transposed in the UK as ESOS Phase 2, which poses the risk of least a £50,000 fine if STthree does not comply by the compliance date.
Emerging regulation	Relevant, always included	We have an Enterprise Risk Management ("ERM") framework which is used to ensure the ongoing monitoring of risks (including climate-related risks) and controls by our Audit Committee and Board. Each risk is graded by likelihood and financial impact, with those risks scoring the highest being reviewed by the Board to ensure mitigation actions are implemented. In line with our risk evaluation process, emerging regulation poses a risk to the business in the short term. STthree must comply with environmental regulation in each of the global markets within which it operates. We recognise the risk of emerging regulation and importance of staying abreast of new developments, incorporating these into our planning processes and working with a third-party sustainability consultancy to stay abreast of any emerging regulation. For example, as part of the EU's shift towards the circular economy, legislative proposals have been put forward which would introduce new waste-management targets and regulations. This poses a direct risk at an asset and site level which may need to adapt existing processes or implement new processes to meet these requirements. It also poses a reputational risk at a company level.
Technology	Relevant, always included	We have an Enterprise Risk Management ("ERM") framework which is used to ensure the ongoing monitoring of risks (including climate-related risks) and controls by our Audit Committee and Board. Each risk is graded by likelihood and financial impact, with those risks scoring the highest being reviewed by the Board to ensure mitigation actions are implemented. In line with our risk evaluation process, technology is a relevant risk in respect to the types of technologies installed and utilised across STthree's portfolio. The costs of transitioning to new technologies with lower emissions and environmental benefits also poses a risk to the business. We are planning to close the remaining two data centres by 2022, moving to a cloud-based system and have now removed over 7 tonnes in obsolete IT equipment to help reduce energy consumption.
Legal	Relevant, always included	We have an Enterprise Risk Management ("ERM") framework which is used to ensure the ongoing monitoring of risks (including climate-related risks) and controls by our Audit Committee and Board. Each risk is graded by likelihood and financial impact, with those risks scoring the highest being reviewed by the Board to ensure mitigation actions are implemented. In line with our risk evaluation process, current regulation poses a risk to the business in the short term. STthree must comply with environmental regulation in each of the global markets within which it operates. For example, as a listed company in the UK we must comply with the mandatory GHG reporting requirement as detailed in the Companies Act 2006. Article 8 of the EU Energy Efficiency Directive must also be complied within the UK, Belgium, France, Germany, Luxembourg and the Netherlands. Article 8 has been transposed in the UK as ESOS Phase 2, which poses the risk of least a £50,000 fine if STthree does not comply by the compliance date.
Market	Relevant, always included	We have an Enterprise Risk Management ("ERM") framework which is used to ensure the ongoing monitoring of risks (including climate-related risks) and controls by our Audit Committee and Board. Each risk is graded by likelihood and financial impact, with those risks scoring the highest being reviewed by the Board to ensure mitigation actions are implemented. In line with our risk evaluation process, market risks are considered high risk to the business if not mitigated. We operate within the engineering and gas & oil industry, as well as the renewables sector. We anticipate the balance of these sectors will change over time and therefore try to ensure that our services evolve at the same pace as changing market conditions and expectations which will impact revenue and turnover. We are also vulnerable to rising energy costs and procurement costs associated with resource use by our offices and employee travel, albeit these are low impact overall. In line with our risk evaluation and mitigation process, we recently upgraded the IT system to Microsoft 365 with Skype and Team collaboration software which should encourage and facilitate agile teams, thereby reducing employee travel.
Reputation	Relevant, always included	We have an Enterprise Risk Management ("ERM") framework which is used to ensure the ongoing monitoring of risks (including climate-related risks) and controls by our Audit Committee and Board. Each risk is graded by likelihood and financial impact, with those risks scoring the highest being reviewed by the Board to ensure mitigation actions are implemented. In line with our risk evaluation process, reputational risks are considered where they represent a high risk to the business. Failure to address our environmental impact could have a detrimental reputational impact on our business, particularly in regard to our clients and investors. In particular our clients in the energy sector and renewable energy sector, as well as public sector clients monitor the ethical business practises of their supply chain of which STthree is part of, including surrounding environmental impact. This risk is managed and mitigated through our annual reporting exercise and strategy project completed with an external consultancy which provides a roadmap for reducing our environmental impact over time, to ensure we continue to be low impact. This exercise ensures we can clearly communicate how our environmental impact is being managed to customers.
Acute physical	Relevant, sometimes included	We have an Enterprise Risk Management ("ERM") framework which is used to ensure the ongoing monitoring of risks (including climate-related risks) and controls by our Audit Committee and Board. Each risk is graded by likelihood and financial impact, with those risks scoring the highest being reviewed by the Board to ensure mitigation actions are implemented. In line with our risk evaluation process, acute physical risks are considered relevant to the business. STthree lease offices in a range of global locations and climates which vary in terms of flood, drought and other weather event risks. Risk assessments for these types of risk are performed locally for each office. For example, the Glasgow office has been experiencing more frequent adverse weather conditions including storms, snow and ice which makes travel to and access to the office challenging and on occasion unsafe. The risk is therefore to the continuation of service if adverse weather prevents travel to work. The mitigation has been setting up all members of staff with remote working access for these occasions. This was initially trialled in 2017/18 for team leaders and has since been expanded to cover all staff. In general, these risks are not deemed to have a substantive impact for any office and as such do not need to be revisited on a regular basis.
Chronic physical	Relevant, always included	We have an Enterprise Risk Management ("ERM") framework which is used to ensure the ongoing monitoring of risks (including climate-related risks) and controls by our Audit Committee and Board. Each risk is graded by likelihood and financial impact, with those risks scoring the highest being reviewed by the Board to ensure mitigation actions are implemented. In line with our risk evaluation process, chronic physical risks are considered relevant to the business. Energy usage accounts for over a third of our environmental impact, as such each office assesses chronic physical risks associated with disruption to energy use and therefore increased costs. For example, rising temperatures may increase the air conditioning demand of buildings which will increase the annual service fees charged to STthree. In most cases our energy suppliers are controlled by our landlords and therefore energy tariffs, usage and disruption in supply are not within our remit. Landlord relationships, lobbying, new property leases and lease renewals are therefore critical in establishing more control over our energy supply.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Enhanced emissions-reporting obligations
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

SThree must comply with environmental regulation and reporting requirements in each of the global markets within which it operates. Therefore, there is a potential risk around changes to guidelines and/or failure to comply. For example, as a listed company in the UK we must comply with the mandatory GHG reporting requirement as detailed in the Companies Act 2006 and Article 8 of the EU Energy Efficiency Directive (ESOS Phase 2). Article 8 must also be complied with in Belgium, France, Germany, Luxembourg and the Netherlands.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

650000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The total cost of non-compliance would be: - Directive in the UK: £50,000 (ESOS phase 2) - Estimated cost of non-compliance with Article 8 in SThree's European markets (UK and Ireland, France, Belgium, Germany, Luxembourg, Netherlands): £250,000 (£50,000 x 5) - Estimated cost of non-compliance with similar environmental legislation in non-EU countries: (Switzerland, Australia, Hong Kong, Japan, Singapore, UEA, US): £350,000 (£50,000 x 7) TOTAL COST of non-compliance: £650,000

**Cost of response to risk**

12655

**Description of response and explanation of cost calculation**

– Action - SThree manage and mitigate this risk by investing in our reporting capabilities by regularly reviewing the regulatory landscape through our ERM processes and by employing internal professionals and external consultants to support with our reporting obligations, following internationally compliant protocols Case study – Working with our external consultants we calculated our market based carbon footprint for the 2018-19 reporting year as 4,664 tCO2e and published our results in our annual report which is published online. Similarly, for Article 8 we will manage this risk by working with our internal teams and external consultants to identify SThree's reporting requirements in each country and put in place procedures to ensure compliance.

**Comment**

Cost of external consultancy support

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Market	Changing customer behavior
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Failure to manage and reduce our environmental impact could have a detrimental reputational impact on our business as a recruitment company, particularly in terms of our perception amongst customers who may choose competitors with a more developed strategy to sustainability.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

33000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The renewables sector generates £33 million in revenue for SThree, an increase of more than 4x the £7.1 million it generated in the previous reporting year. The sector

places a high emphasis on partnering with companies which show an effort to reduce and mitigate their environmental impact. A reputational risk could reduce demand from services for this sector and potentially lead to a complete loss of revenue from the renewables sector.

**Cost of response to risk**

9760

**Description of response and explanation of cost calculation**

Action – Our CSR team actively monitor and manage our environmental impact to ensure that we understand where our greatest impacts are and take action to improve our sustainability performance. This is done in conjunction with our sustainability consultants, who present ideas for improvement to the team regularly (at least every 6-months) Case study - We recently commissioned a climate-related scenario analysis project with our sustainability consultants to explore how we can well placed to respond to the impacts of climate change.

**Comment**

Cost of external consultancy support

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Chronic physical	Other, please specify (Increased cost of operating office space)
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

As an office-based company, costs associated with raw materials (energy, paper, fuel consumption for company cars etc.) comprise a proportion of our total operating costs. For example, procuring electricity and gas for our offices is essential to business function and an increase in price as a result of fluctuations of climate-related factors (e.g. increased levels of drought or flooding) could have an impact on our operational costs.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

780015

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Based on assumption that 1% of our operating costs is on energy spend and that energy prices could rise by 5% each year (average published by UK government). Operating costs in 2018/19 = £282.3 mn. Estimated energy spend in 2018/19 = £2.823mn 5% increase each year: £2,823,260 2018/19 £2,964,423 Year 1 £3,112,644 Year 2 £3,268,276 Year 3 £3,431,690 Year 4 £3,603,275 Year 5 Year 6 Impact: £3,603,275 - £2,823,260 = £780,015 Impact: Estimated potential financial impact could be an increase in cost of energy of by £780,015 (cumulative) in 6 years' time.

**Cost of response to risk**

4365

**Description of response and explanation of cost calculation**

Action – SThree regularly assess opportunities to improve energy efficiency through the Group CSR Committee and our 6-monthly carbon footprint work with our external consultants. The business evaluates the business case for each investment and invests where viable. Case study - Our sustainability consultants assessed our UK energy use in the reporting year as part of ESOS Phase 2 and identified a range of energy efficiency projects which we are now exploring.

**Comment**

Cost of internal management of this project

C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Please select

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Other, please specify (Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon)

**Company-specific description**

As an office-based company, costs associated with raw materials (e.g. energy) comprise a significant proportion of our total operating costs. There is an opportunity to lobby and encourage landlords to procure renewable energy to reduce our greenhouse gas emissions. Encouraging landlords to procure lower emissions sources of energy provides an opportunity to reduce the opp of future fluctuations in energy prices due to potential increases to existing carbon taxes (such as the UK's Climate Change Levy) and the introduction of new carbon taxes in the future.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

780015

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Based on assumption that 1% of our operating costs is on energy spend and that energy prices could rise by 5% each year (average published by UK government). Operating costs in 2018/19 = £282.3 mn. Estimated energy spend in 2018/19 = £2.823mn 5% increase each year: £2,823,260 2018/19 £2,964,423 Year 1 £3,112,644 Year 2 £3,268,276 Year 3 £3,431,690 Year 4 £3,603,275 Year 5 Year 6 Impact: £3,603,275 - £2,823,260 = £780,015 Impact: Estimated potential financial impact could be an increase in cost of energy of by £908,736 (cumulative) in 6 years' time which you could save by switching to renewable energy where prices are expected to stay more consistent.

**Cost to realize opportunity**

9333

**Strategy to realize opportunity and explanation of cost calculation**

SThree regularly assess opportunities to improve the sustainability of our operations (e.g. increasing the procurement of renewable energy tariffs across the business) through the Group CSR Committee and our 6-monthly carbon footprint carried out with our external consultants. The CSR committee and Board evaluates the business case for each opportunity and investment on a case by case basis and invests where viable. Case study – We have seen moves to green energy in some locations and we are continuing to lobby our landlords to encourage this move. In Stuttgart we have moved to a green energy supplier which has resulted in a €5k saving per year. We have developed a property criteria checklist which heavily positions greener properties – for example, additional points are scored by properties that have self-generation facilities. We have also built green energy procurement into our property tender process. These procurement processes are now fully operational and will be used for all future moves.

**Comment**

Cost of internal management of opportunity

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**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

SThree operates within the engineering and gas & oil recruitment industry as well as the renewables sector (accounting for £33m in revenue in 2018/19). The renewable energy sector employs 11+ million people globally and the annual increase in new roles is 6%. We invested £194k in STEM programmes that support young people to transition into STEM careers. The sector has huge potential to grow further particularly in offshore wind in Europe and the USA alongside solar and biomass transition. We envisage this area as high growth and therefore the magnitude of the opportunity is high. SThree as a recruitment services provider is well placed to take advantage of new opportunities that open up in emerging markets.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

600000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Calculation: Estimated based on an increase of 1% in operating profits from new business generated from a growing renewables market. 2017/18 operating profits = £60.mn 1% of £60 mn = £600,000 Impact: Estimated potential financial impact could be an increase of £600,000 per annum in the operating profits derived from low carbon sectors.

**Cost to realize opportunity**

37000

**Strategy to realize opportunity and explanation of cost calculation**

Action – We regularly perform needs analysis for the sectors we work in including the renewables sector. We stay abreast of development and are keen to be seen as market leaders in this area. We are actively investing in innovation start-ups, technologies and services that extend our core offering in this sector and help to solidify our position in the renewables market. Our emphasis is primarily on STEM careers within the renewables sector, which aligns with our broader strategy. Case study - The renewable energy sector employs 11+million people globally and the annual increase in new roles is 6%. We invested £194k in STEM programmes that support young people to transition into STEM careers. In addition, we invested also invested in programmes that support STEM professionals. Our people utilised 2,494 hours of paid volunteering leave, 50% of which was related to STEM career development

**Comment**

The salary costs to manage this work as well as the investments in STEM projects.

---

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Shift in consumer preferences

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

As climate change drives physical changes in the environment and the general public becomes increasingly more aware of climate change and its impacts, individuals are placing more and more emphasis on choosing workplaces which incorporate environmental values. There is also growing evidence that the future workforce wants to have clear purpose and a positive impact, leading to changes in employment trends. SThree has an opportunity to capitalise on these trends to attract and retain talent to grow our business by showing the positive impact we have on climate-related industries such as renewables as well as demonstrating our own actions towards reducing our environmental impact.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

600000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Calculation: Estimated based on an increase of 1% in operating profits from new business generated from a growing renewables market. 2017/18 operating profits = £60.mn 1% of £60 mn = £600,000 Impact: Estimated potential financial impact could be an increase of £600,000 per annum derived from an increase in the operating profits derived from low carbon sectors as we are able to take on more jobs with an increase in the number of employees.

**Cost to realize opportunity**

65000

---

**Strategy to realize opportunity and explanation of cost calculation**

Action – As a company with clients in the renewable sector there is an opportunity to grow our renewable recruitment services by taking advantage of an increased pool of potential employees who would like to work in this sector. We are engaging future employees by clearly showing what SThree does to help reduce our environmental impact. Case study: Our purpose is central to everything we do as a business and is why we exist: “bringing skilled people together to build the future”. We therefore put significant emphasis on demonstrating to potential employees how they will have an opportunity to bring talent to industries that build the future and have a positive impact on the environment, e.g. in the renewables sector. In addition to this we offer potential employees the ability to offset their business travel for free and paid days of volunteering where they can engage in climate related reduction projects. In 2018/19, 194 hours of employee hours were volunteered to environmental projects. These are all clearly presented in a pack which is sent to individuals enquiring about job opportunities and is one of the main pages on our career portal. Whilst we don't currently track how many people take a job with us based on our CSR policies this is something we want to try and track in the future.

**Comment**

Cost of running our “career with purpose” proposition

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**C3. Business Strategy**

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**C3.1**

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**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

**C3.1a**

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**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

**C3.1c**

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**(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?**

The scenario modelling currently performed by SThree covers a range of macro-economic conditions and a range of high-level industry trends but does not include specific climate-related scenario analysis. Although SThree have been measuring our environmental performance for a number of years, we have only recently assessed the opportunities available to us to reduce that impact (through our reporting requirements). This is primarily because as an office-based organisation, our activities have a relatively low environmental impact. We now have a greater understanding of our impacts and the climate-related risks and opportunities that are relevant to our business and which can now be used to inform business strategy.

SThree currently analyse high-level trends in the recruitment sector which are driven by climate change, however we have commissioned our sustainability consultants to conduct climate-related scenario analysis for us to inform future strategic decision making. Our previous analysis was a major factor in deciding to enter the renewables energy sector. Over the next two years we plan to develop more detailed climate-related scenarios to assess our business operations against. Initially this will be a qualitative assessment with a view to introducing quantitative analysis at a later date.

**C3.1d**

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**(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Impact: The growth and emergence of new recruitment sectors such as renewables, is diversifying our customer offering and is requiring us to invest more actively in new technologies and services to ensure our core service offerings remain up to date with changing environments and markets. For example, the renewable industry now employs over 11m people globally, and accounted for £33m revenue in 2018/19, up from £7.1m in 2017/18. We have also broadened our engagement with STEM students and industries as part of the SThree Foundation to include renewable technologies. Case study: We are working on changing our approach to procuring offices in the future to ensure each office has greener credentials and is at least beginning to move renewable energy tariffs. For example, we now have an established evaluation criteria for new properties which incorporate sustainability credentials, including energy, efficiency and sustainable buildings services. Properties with energy self-generation facilities are scored more highly than those with 100% renewable tariffs, which in turn scored more highly than properties that have average grid energy. In addition to this, we are strengthening our landlord relationships and raising our presence on tenant committees to ensure landlords are lobbied and pressured to procure greener energy. This will also be a key conversation during lease renewal conversations
Supply chain and/or value chain	Yes	Impact: The growing importance of environmental performance and management is already having an impact on SThree. Customers in our supply chain increasingly request environmental data and information as part of their procurement processes and we now expect to provide CSR reports, wider environmental and sustainability data as part of the assessment process. In 2018/19, it's estimated that 20% of clients requested CSR-related information. As a result, we're putting effort into our supply-chain management capabilities. Case study: During the reporting period the Board of Directors made the decision to invest in our supply-chain management capabilities, bringing in a consultant to develop our supply chain processes. As part of this project ethical supply-chain management and the environmental impact of our suppliers has been included. The result is a supply-chain monitoring and management system and refreshed procurement policy. The investment costs to date is £87,000.
Investment in R&D	Yes	Impact: The growth and emergence of new recruitment sectors and working practices is diversifying our customer offering and is requiring us to invest more actively in new technologies to ensure our core service offerings remain up to date with changing environments and markets. For example, some clients see traditional recruitment as labour intensive, manual and overpriced. In response, we therefore established HireFirst. Case study: HireFirst is an AI-led hybrid recruitment platform for the IT market designed to serve as a 'self-serve' option. It combines the scalability and user experience of a best-in-breed digital marketplace with the human-centred approach of candidate and client coaching. The technical platform ensures matching of highly qualified, active candidates with qualified jobs using AI, and the automation of lower value activities and processes. HireFirst's human touch is led by experienced recruiters and sales professionals in the roles of Customer Success Managers and Talent Coaches. To date, we have invested over £1.5m in the platform.
Operations	Yes	Impact: The risk of changing, or new environmental regulations has required us to appoint external consultants to ensure that we comply with existing legislation and remain abreast of new developments in our global markets. Our sustainability strategy has developed from simply complying with relevant regulations, to actively managing our carbon impact year on year. We intend to remain a market leader in terms of sustainability and will thus undertake climate-related scenario analysis next year to inform future planning. We are actively seeking to reduce our GHG emissions on an annual basis, of which energy consumption is a particular focus. Case study: As part of our focus on energy, we are exploring cloud-based solutions for our data centres. We retired a further 20 devices in our data centres during the reporting year and have also further invested in cloud-based solutions. Further investment is planned for the next 24 months. This move to cloud-based solutions will decrease the electricity consumption associated with our data centres and reduce our overall GHG footprint.

**C3.1e**

**(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Impact: SThree is liable to comply with a number of environmental regulations across all our global locations. Changes to these regulations will potentially impact SThree's liabilities. For example, if taxes on fossil fuel derived electricity suppliers increase there is a likelihood that these additional charges will be passed on to SThree as a customer. As such, switching to lower carbon energy sources would mitigate any additional charges. These risks are reviewed in an annual budgeting process that is reviewed and agreed by the board. Magnitude of Impact: The current magnitude of the impact is from non-compliance with environmental legislation and is estimated to be c.£650,000

**C3.1f**

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

N/A

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**C4.1a**

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based) +3 (upstream)

**Base year**

2019

**Covered emissions in base year (metric tons CO2e)**

4928

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2024

**Targeted reduction from base year (%)**

20

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

3942.4

**Covered emissions in reporting year (metric tons CO2e)**

4928

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

Underway

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Please explain (including target coverage)**

This target was set in 2020 to reduce absolute GHG emissions by 20% by 2024, relative to a 2019 baseline

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	11	120
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	3	185
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

**Initiative category & Initiative type**

Transportation	Other, please specify (Investment in VC software that facilitated reduction in travel)
----------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**

65

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

225614

**Investment required (unit currency – as specified in C0.4)**

132000

**Payback period**

<1 year

**Estimated lifetime of the initiative**

3-5 years

**Comment**

We have procured new software to facilitate remote collaboration and reduce travel. The cost of this investment is £132,000 per year. This contributed to a 7% reduction in flights.

**Initiative category & Initiative type**

Transportation	Other, please specify (Extensive staff engagement campaign on business travel)
----------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**

65

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

225614

**Investment required (unit currency – as specified in C0.4)**

4850

**Payback period**

<1 year

**Estimated lifetime of the initiative**

1-2 years

**Comment**

In the summer of 2019 we delivered a travel reduction campaign that educated colleagues on the environmental impact of travel. This contributed to a 7% reduction in air miles. The implementation cost has been estimated based on the volunteering hours contributed by SThree staff.

**Initiative category & Initiative type**

Energy efficiency in buildings	Other, please specify (Upgrade of other 2,000 computers with modern, energy-efficiency alternatives)
--------------------------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**

84

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

21440

**Investment required (unit currency – as specified in C0.4)**

552000

**Payback period**

>25 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

We have invested over half a million pounds in new, energy-efficiency computers for 2,000 members of staff. The modern models procured will save SThree around 214,000 kWh per annum.

## C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Sites/assets with high energy and/or resource consumption have been identified through calculating our carbon footprint (a requirement of the mandatory greenhouse gas reporting regulations in the UK)

## C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

## C5. Emissions methodology

### C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

#### Scope 1

**Base year start**

December 1 2012

**Base year end**

November 30 2013

**Base year emissions (metric tons CO2e)**

1050

**Comment**

#### Scope 2 (location-based)

**Base year start**

December 1 2012

**Base year end**

November 30 2013

**Base year emissions (metric tons CO2e)**

1948

**Comment**

#### Scope 2 (market-based)

**Base year start**

December 1 2015

**Base year end**

November 30 2016

**Base year emissions (metric tons CO2e)**

2384

**Comment**

### C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Voluntary 2017 Reporting Guidelines

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

1270

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

for reporting year 2018/19

**C6.2**

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**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

for reporting year 2018/19

**C6.3**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

1406

**Scope 2, market-based (if applicable)**

1142

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

for reporting year 2018/19

**C6.4**

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

## Purchased goods and services

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

143

### Emissions calculation methodology

Includes water and paper. Invoices used where available. Estimated based on calculated averages per FTE (from available data) multiplied by FTE's. Emissions calculated using 2019 Defra conversion factors.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

N/A

## Capital goods

### Evaluation status

Not evaluated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

N/A

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

75

### Emissions calculation methodology

Electricity transmission and distribution is calculated using the data from supplier bills. We have followed the UK Government environmental reporting guidance and we have used 2019 UK Governments conversion factors for company reporting.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

N/A

## Upstream transportation and distribution

### Evaluation status

Not evaluated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

N/A

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

63

### Emissions calculation methodology

Waste data taken from contractor invoices. We have followed the UK Government environmental reporting guidance and we have used 2019 UK Governments conversion factors for company reporting.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

N/A

**Business travel****Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

1971

**Emissions calculation methodology**

Travel taken from the expenses system using the 2013 UK Government environmental reporting guidance and we have used 2018 UK Governments conversion factors for company reporting.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

N/A

**Employee commuting****Evaluation status**

Not evaluated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain****Upstream leased assets****Evaluation status**

Not evaluated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain****Downstream transportation and distribution****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

As a service-based organisation our emissions from downstream transportation and distribution are 0 tCO2e

**Processing of sold products****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

As a service-based organisation we do not produce sold goods and our emissions are 0 tCO2e

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As a service-based organisation we do not produce sold goods and therefore our emissions from this activity are 0 tCO<sub>2</sub>e

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As a service-based organisation we do not produce sold goods and therefore our emissions from this activity are 0 tCO<sub>2</sub>e

## Downstream leased assets

### Evaluation status

Not evaluated

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As a service-based organisation we do not own any franchises and therefore our emissions are 0 tCO<sub>2</sub>e

## Investments

### Evaluation status

Not evaluated

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

**Other (upstream)**

**Evaluation status**

Not evaluated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

**Other (downstream)**

**Evaluation status**

Not evaluated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

C6.7

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**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

C6.10

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(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.86072

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

2676

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

3109

**Scope 2 figure used**

Location-based

**% change from previous year**

2

**Direction of change**

Increased

**Reason for change**

Whilst total scope 1 and 2 emissions fell by 2% 17/18 to 18/19, headcount fell by 6%, leading to an increase in emissions intensity.

---

**Intensity figure**

0.000001982

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

2676

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

1350000000

**Scope 2 figure used**

Location-based

**% change from previous year**

10

**Direction of change**

Decreased

**Reason for change**

As emissions fell by 2%, revenue also increase by 7%, leading to a marked 10% reduction in emissions per revenue.

---

**Intensity figure**

0.09031

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

2676

**Metric denominator**

square meter

**Metric denominator: Unit total**

29632

**Scope 2 figure used**

Location-based

**% change from previous year**

11

**Direction of change**

Increased

**Reason for change**

Whilst scope 1 and 2 emissions fell by 2% in 18/19, the overall floor area from estate fell, leading to an increase in emissions per m2 of floor area.

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## C7. Emissions breakdowns

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### C7.1

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(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

## C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO <sub>2</sub> e)	GWP Reference
CO <sub>2</sub>	1254.53	IPCC Fourth Assessment Report (AR4 - 100 year)
CH <sub>4</sub>	0.86	IPCC Fourth Assessment Report (AR4 - 100 year)
N <sub>2</sub> O	14.61	IPCC Fourth Assessment Report (AR4 - 100 year)

## C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO <sub>2</sub> e)
United Kingdom of Great Britain and Northern Ireland	173.1
Ireland	13.8
Belgium	674.9
Luxembourg	6.4
Netherlands	213.9
France	40.2
Germany	146.6
Australia	1.7

## C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

## C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Natural gas	132
Fleet	1138

## C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO <sub>2</sub> e)	Scope 2, market-based (metric tons CO <sub>2</sub> e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United Kingdom of Great Britain and Northern Ireland	211.9	84.2	756.6	555.5
Ireland	18.2	0	43.9	43.9
Belgium	22.7	17.6	131	104
Luxembourg	11.8	0	56.5	56.5
Netherlands	158.5	180.2	340	0
France	5.9	5.7	111.4	0
Germany	493	370.8	1145.5	607.2
Switzerland	0.4	0.4	13.2	0
United States of America	204	204	469	0
United Arab Emirates	213.4	213.4	322.5	0
Singapore	19.8	19.8	50	0
Japan	22.4	22.4	41	0
Australia	23.9	23.9	31.4	0

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

**C7.6c**

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Purchase of electricity	1393	1129
Other fuels	13	13

**C7.9**

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

**C7.9a**

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	364	Decreased	24	Market based electricity emissions in 2017/18 were 1,493 tCO2e. Market based electricity emissions in 2018/19 were 1,129 tCO2e (13 tCO2e of scope 2 is other fuels)– a drop of 364 tCO2e or 24%. This was driven by increased uptake in renewable energy tariffs across the global portfolio.
Other emissions reduction activities	246	Decreased	12	Flights emissions were 1,987 tCO2e in 17/18 and 1,741 in 18/19 – a fall of 246 tCO2e, or 12%. This was driven by 2 factors: 1) a staff engagement campaign to educate staff on the environmental impact of business travel and 2) investment in VC software which facilitated less travel
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

**C7.9b**

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

**C8. Energy**

## C8.1

### (C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

## C8.2

### (C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

## C8.2a

### (C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	7320.7	7320.7
Consumption of purchased or acquired electricity	<Not Applicable>	1290.6	2144.9	3435.5
Consumption of purchased or acquired heat	<Not Applicable>	0	76.6	76.6
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	1290.6	9542.2	10832.8

## C8.2b

### (C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

### (C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

#### Fuels (excluding feedstocks)

Natural Gas

#### Heating value

HHV (higher heating value)

#### Total fuel MWh consumed by the organization

717.5

#### MWh fuel consumed for self-generation of electricity

<Not Applicable>

#### MWh fuel consumed for self-generation of heat

<Not Applicable>

#### MWh fuel consumed for self-generation of steam

<Not Applicable>

#### MWh fuel consumed for self-generation of cooling

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

0.18385

**Unit**

metric tons CO2e per MWh

**Emissions factor source**

DEFRA 2019

**Comment**

N/A

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**Fuels (excluding feedstocks)**

Petrol

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

4684.9

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

0.23373

**Unit**

metric tons CO2e per MWh

**Emissions factor source**

DEFRA 2019

**Comment**

N/A

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**Fuels (excluding feedstocks)**

Diesel

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

1369.5

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

0.25267

**Unit**

metric tons CO2e per metric ton

**Emissions factor source**

DEFRA 2019

**Comment**

N/A

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**Fuels (excluding feedstocks)**

Other, please specify (Unknown vehicle fuel)

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**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

548.7

**MWh fuel consumed for self-generation of electricity**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of heat**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Emission factor**

0.2432

**Unit**

metric tons CO2e per MWh

**Emissions factor source**

DEFRA 2019

**Comment**

This emissions factor is the average of diesel and petrol and has been used for unknown fuel types.

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.****Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

**Low-carbon technology type**

Other, please specify (Mixed renewable tariff)

**Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed accounted for at a zero emission factor**

1367.1

**Comment**

The 1,367.1 is all associated with European offices and breaks down as follows: UK – 555.5 MWh Germany – 607.2 MWh Ireland – 43.9 MWh Belgium – 104.0 MWh Luxembourg – 56.5 MWh

## C9. Additional metrics

## C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

## C10. Verification

## C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

## C10.2

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

### C11.2a

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**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

**Credit origination or credit purchase**

Credit purchase

**Project type**

Forests

**Project identification**

SThree procured 500 carbon credits for the Gola Rainforest Project. The rainforest in Gola, Sierra Leone is now less than one fifth of its original size, having a damaging impact on wildlife and local communities. This project works with government, local communities and NGOs to protect the rainforest and the wildlife and communities that depend upon it. The project reduces global emissions by 500,000 tonnes of CO2e annually. Finance from carbon offsetting supports farming and education schemes that impact 122 communities and 24,000 locals in an area that has been impacted by war and ebola. Over 170 people access employment through carbon offsetting in the rainforest. The rainforest is home to over 327 birds and 49 species of mammal, including endangered Western Chimpanzees. Standard: VCS+CCB

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

500

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

500

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**Credit origination or credit purchase**

Credit purchase

**Project type**

Wind

**Project identification**

SThree procured 4,112 carbon credits for the EKIESL wind project. The project is a social enterprise that provides clean energy whilst promoting education, sustainable employment and gender equality. The project finances the installation and maintenance of 9.9MW of wind power in the Indian state of Gujarat. The programme additionally provides education to 100 girls, provides scholarships to enable local girls to further their education, provides sport scholarships to enable women to compete in national and international tournaments and trains women aged 18-35 to support future employment. Standard: VCS

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**

4112

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

4112

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**C11.3**

**(C11.3) Does your organization use an internal price on carbon?**

Yes

**C11.3a**

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**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

**Objective for implementing an internal carbon price**

Stakeholder expectations

**GHG Scope**

Scope 1

Scope 2

**Application**

- Decisions around CSR budget - Employee engagement activities

**Actual price(s) used (Currency /metric ton)**

2.49

**Variance of price(s) used**

Uniform pricing - single price applied throughout the company independent of geography, business unit or type of decision

**Type of internal carbon price**

Offsets

**Impact & implication**

Our carbon price is linked specifically to our strategic goals surrounding Corporate Social Responsibility which drives employee, client and investor engagement. Setting an internal price on carbon can help us budget how much of our carbon we can offset and encourage employees to think about what their carbon footprint represents. We have chosen to offset our emissions with two separate projects in 2018/19: Project 1, based in Gola, Sierra Leone, protects some of the world's most threatened forest. Projects 2, based in Gujarat, India, provides renewable local wind energy, whilst also empowering local girls and women through education and support.

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**C12. Engagement**

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**C12.1**

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

**C12.1a**

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**

0.2

**% total procurement spend (direct and indirect)**

5

**% of supplier-related Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

We are keen, where feasible, to play our role in the transition to a net zero economy by working with suppliers who manage their own environmental impact. We have only recently implemented this initiative and thus are trialling it with a limited amount of suppliers. From 2021, this will cover 100% of suppliers.

**Impact of engagement, including measures of success**

We have engaged a specialist procurement consultant to support the development of our procurement systems. Within this project a new ethically focused procurement policy has been developed which includes the utilisation of online solutions to assess and monitor suppliers. Within this online solution questions related to environmental policy and climate related action are asked. We are measuring the success of this initiative through the number of suppliers that we engage through the process. We have currently engaged six suppliers to the value of £110k in this new process. Assessments include scoring on environmental credentials and feedback will be provided.

**Comment**

N/A

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**C12.1b**

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**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Share information about your products and relevant certification schemes (i.e. Energy STAR)

**% of customers by number**

20

**% of customer - related Scope 3 emissions as reported in C6.5**

0

**Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

As a service led organisation we are increasingly required to provide environmental data and information to customers as part of their procurement process. We now expect to provide CSR reports and wider environmental and sustainability data as part of the assessment and/or new vendor process. It is estimated that about 20% of new bids, tenders and vendors now request this data.

**Impact of engagement, including measures of success**

The ability to provide environmental information to customers when bidding for new work has opened up new business opportunities for SThree which we would not otherwise have access to. We measure the success of engagement with clients and potential clients through how the number of bids and tenders that we are successfully with.

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**C12.3**

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

Other

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**C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

No

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**C12.3e**

**(C12.3e) Provide details of the other engagement activities that you undertake.**

SThree engages in a number of activities which help to indirectly influence policy on climate-related issues. For example, we recruit senior managers and strategic leaders who are involved in lobbying within the energy sectors. Examples include lobbying for more government funding for electric car charging stations in cities and securing fair renewable energy prices. We also share stories and content related to climate-related issues across a number of social media platforms which help to contribute to pressure in driving change. This year SThree has engaged with Glasgow City Council and the Chamber of Commerce to facilitate conversations between local government and business on the city's net zero target planning, so that SThree can ensure sustainability goals are aligned with the city' roadmap.

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**C12.3f**

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Whilst we don't directly influence policy, we employ a Head of CSR and a CSR Officer to run the global CSR programme. Through this programme we share climate-related stories across social media which align with our key KPIs and targets aiming to reduce emissions. SThree also engages with the government and council's where appropriate and where we deem we can influence change locally, as evidenced by our engagement with Glasgow City Council.

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**C12.4**

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

SThree\_AR19\_200121.pdf

**Page/Section reference**

Pages 64-66 of annual report (uploaded)

**Content elements**

Governance

Risks & opportunities

Emission targets

**Comment**

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**C15. Signoff**

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**C-FI**

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**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**C15.1**

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**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

**Submit your response**

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

**Please confirm below**

I have read and accept the applicable Terms