



Sustainable progress

HSS Hire Group plc
Corporate Responsibility Report 2015



HSS contributes to a more sustainable world

HSS recognises that the rental or hiring of equipment – a growing trend across Europe – makes the most of scarce resources and contributes to what the European Union calls “a circular economy”.

The European Rental Association (ERA), the trade association representing more than 5,000 equipment rental companies across Europe, notes that the EU is currently generating six tonnes of waste per citizen and that the OECD estimates that the EU could be generating 45% more waste in 2020 than 1990 if no action is taken. The ERA says that “this forces us to move from a traditional ‘take-make-waste’ economy towards a system that is in balance with our resources and the environment”. HSS joins other major rental company peers in calling for the EU legislative framework to be more aware of “the sustainability potential of the rental industry”.

Our business – a leader in the UK and Ireland – benefits from one of the most mature rental markets in the world; hiring is well understood by customers to play a role in a more sustainable supply chain.

Equipment rental is inherently sustainable because it promotes the repeated use of hire company owned equipment by multiple customers instead of each customer requiring their own equipment to be manufactured. Rental cuts down on waste, minimises emissions and improves efficiency. Hire specialists such as HSS also influence the design of equipment in a quest for more sustainable performance and to engineer out waste.

By ensuring – through well-recruited and highly-trained colleagues – that hiring is a seamless solution for a customer, rental is an attractive option, particularly when financial pressures and market fluctuation demand flexibility. Well-maintained and safe equipment, alongside ready availability, also helps to drive the case for hiring as a commercially sound solution.

This report details our progress and our goals in ensuring that HSS plays a leading role in responsible hire and contributes to a more sustainable world.

Waste per EU citizen:

6 tonnes

Source: EU

45%
more waste
in 2020 than 1990
if no action taken

Source: EU

**Three major benefits to
equipment rental**



1

Use efficiency

Rented goods are used more frequently compared to everyone buying their own material, and save a considerable amount of resources.

2

Influence on design

Rental companies can better liaise with manufacturers to encourage equipment design with improved sustainability performance.

3

High operational standards

Specialised equipment rental companies are well positioned to maintain high standards of quality, maintenance and operating guidelines, leading to better performance in e.g. energy efficiency, health & safety and noise reduction.



Hire is a sustainable model



Resources are scarce and energy costs high so it makes sense to make more use of what we have, rather than build anew. Cutting down on waste, and minimising emissions, improves efficiency. Extending the life of a piece of equipment, and minimising emissions from the operation and transportation of goods, is commercially and environmentally sound.

Recruiting colleagues from across the community, educating and training them, developing their skills and talents, leads to a motivated and effective workforce, ready and able to satisfy the most exacting customer requirements.

Financial pressures and market fluctuations demand commercial flexibility so the option to borrow a piece of equipment and then return it is a more sustainable alternative to purchasing. When that equipment is well serviced, functionally efficient and readily available, the case for hiring is overwhelming. It also makes it a highly affordable option.



This year, we formalised the governance structure around CR to ensure that it is always considered as part of our strategy and has my personal sponsorship. Our CR Steering Committee – comprised of functional and operational leaders from across our Group - meets four times a year to assess progress and is chaired by Jon Overman, a member of my Executive team, with my formal review twice a year. This has helped in determining longer term goals with clear measurement and reporting.

[Find out more p24](#)

In 2016 we also commit to building a measure around sustainability into our regular, independent 'Net Promoter Score' customer satisfaction monitoring.

As a customer-driven business, we listen to our customers' requirements to drive their sustainability agendas – their primary requirement is availability. In 2015 we opened 50 new local branches and supported this with the first truly transactional website in UK rental, providing instant stock availability and ordering via mobile devices: both combine to cut customer emissions and bolster hire as a sustainable solution.

[Find out more p08](#)

Another key highlight from the year was the opening of our purpose-built refurbishment centre, which has significantly increased our capacity to extend the life of hire equipment. In refurbishing equipment, we minimise unnecessary manufacturing and emissions.

[Find out more p09](#)

We also provided more training days for our colleagues through our successful Training Academy which is being extended to a virtual Branches of Excellence model. This helps to ensure that we provide the best service and support to our customers, by helping our colleagues to deliver hire as a commercially sound, sustainable proposition through seamless service.

This report details many of the other advances we have made in corporate responsibility and in our support to the wider industry drive to ensure rental is seen as a sustainable solution.

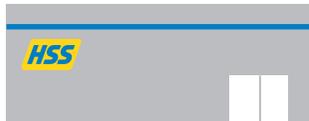
I would like to thank all our colleagues for their energy and commitment in ensuring we operate as a responsible company.

John Gill
Chief Executive Officer

Key achievements



Opened a purpose-built refurbishment centre increasing our capacity to **extend the life of equipment by 50%**



Opened **50 new low energy local branches** and launched our new e-commerce platform increasing equipment availability

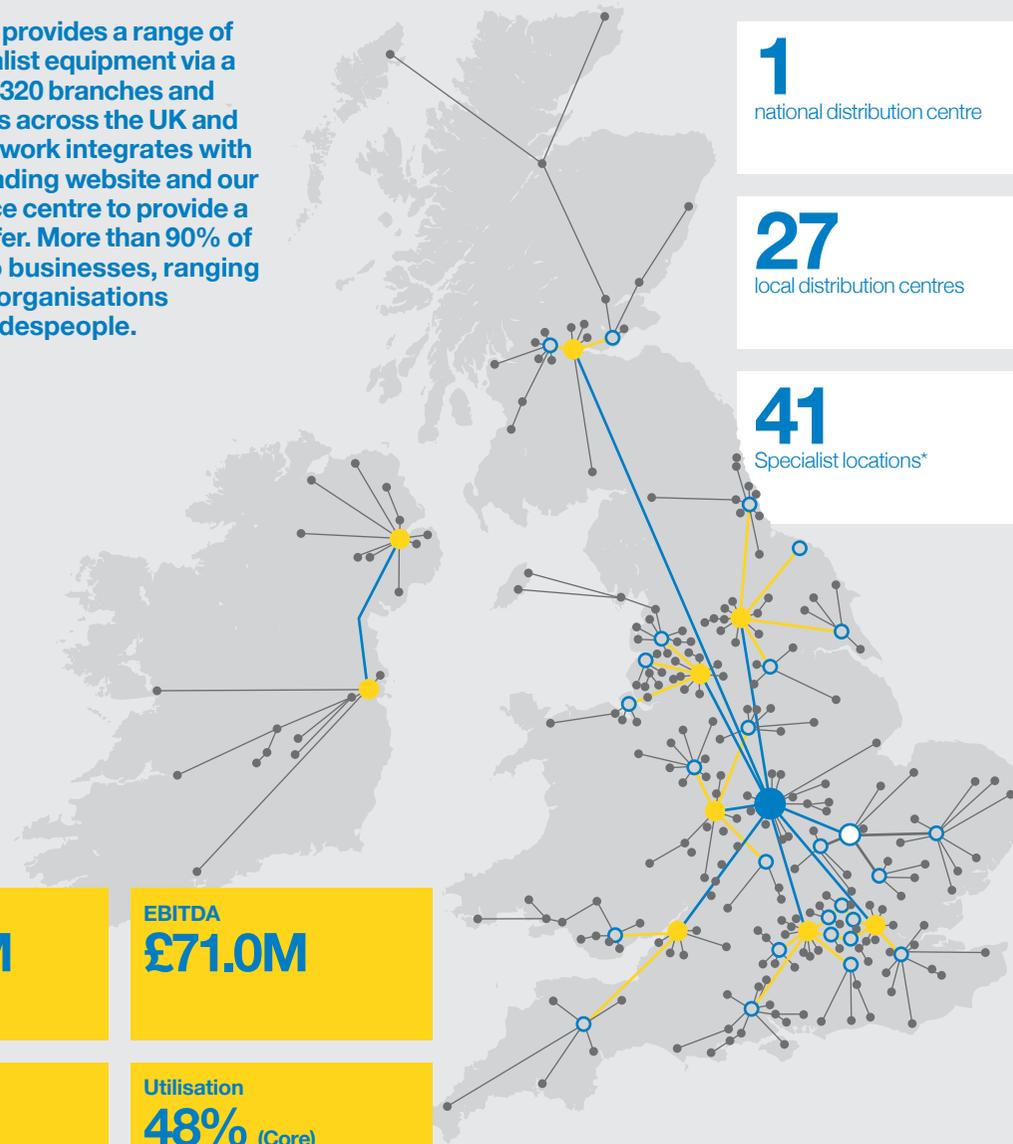
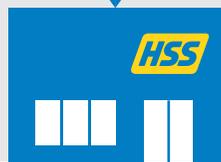


Extended our Training Academy to a regional model through regional **"Branches of Excellence"**



Our business at a glance

HSS Hire Group provides a range of tools and specialist equipment via a network of over 320 branches and trading locations across the UK and Ireland. This network integrates with our industry-leading website and our customer service centre to provide a multichannel offer. More than 90% of our activity is to businesses, ranging from blue-chip organisations to individual tradespeople.



* Some of which are co-located with other HSS core or specialist locations



Our business at a glance
Continued

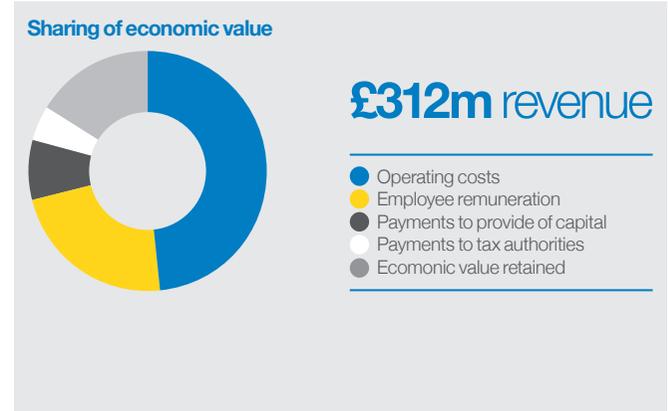
We are committed to operating with integrity, transparency and solid governance. This year has included more rigorous governance of our CR programme ensuring integration with our business operations.

Economic performance and sharing wealth

We recognise the role we play in generating and sharing wealth. This includes delivering a return for our shareholders, ensuring we continually support our customers through effective supply and empowering our colleagues via training, development and employment.

Our business model – investing in equipment and services which we make available to others for their own business purposes – also enables our customers to generate further wealth.

In 2015, revenue grew by 10% to £312.3m and adjusted EBITA was £20.3m. One important measure of our ability to contribute to the efficient use of resources is our utilisation measure which grew from 47% to 48% in our core business and 70% to 76% in our specialist divisions. We retained an element of the economic value we generated to help fund future investment and growth; the rest was shared amongst stakeholders within our business, including colleagues, shareholders, our suppliers and their own providers. This is detailed in the pie chart.



Our business at a glance

Continued

Our governance

Dealing with management of business risks is central to the Board who deliver this through a dedicated team to manage internal control, supported by expert external consultants to ensure best practice adherence. Our business plans and budgets are regularly audited to ensure prudent financial planning and control. All executives have received training in the Bribery Act and are committed to maintaining the highest principles of behaviour aligned with good corporate practice. Records of all corporate entertainment and gifts are maintained centrally. In addition, during the year, we have taken guidance on the Modern Slavery Act and are committed to demonstrating our compliance within the appropriate timescales.

We operate to a range of external accreditations. These include working towards the new British Standards for Health & Safety and the environment (see page 17). We are SafeHire accredited and members of the British Safety Council and Considerate Constructor's Scheme. We are also part of the ESOS and CRC energy efficiency schemes and hold Investors in People status as well as FORS Gold accreditation for our commercial vehicle fleet.

Our [financial results](#) are published in line with our financial reporting requirements and available at www.hsshiregroup.com. Our corporate governance is detailed in our [Annual Report and Accounts](#) also available at www.hsshiregroup.com which also details our principal risks and uncertainties.

Our accreditations



Learn more about HSS at
www.hsshiregroup.com

Customers: Supporting our customers

As an integral part of our customers' supply chains, we are committed to listening to our customers and responding where commercially sensible to their requirements. We employ both informal methods – for example in individual customer reviews – and formal methods, such as attending industry and business-specific forums on safety and product design.

We also use the “Rant and Rave” system to measure customer satisfaction scores after every hire. Since its launch in April 2015, we have received 8,200 insights and increased the volume of our feedback by 80%. We use a “Fix, Measure and Learn” approach to improve product design to ensure it is robust and technically-suited to a hire environment. This, for example, has led to the introduction of a new washable fabric filter on our wet and dry vacuum, which allows the operator to use the machine to pick up both water and solid material without replacing the filter between tasks – simplifying the use and extending the life of the product.

In addition to this daily system, we employ leading research company, TNS, to survey our customers using the Net Promoter Score approach: “would you recommend HSS to a friend or colleague?” We are proud to have consistently achieved a score beyond the TNS industry benchmark and improved our score in the year to the highest level yet. Customers are also given an opportunity to provide further information on our core values of Safety, Value, Availability and Support.

Daily customer experience measurement 2016

8,200
customer insights given



Customers scoring HSS
Group 5/5:
57%

Group satisfaction score
average:
4.08/5.0

Customer satisfaction

Net Promoter
Score Score -
All HSS Customers
in the UK

Weighted data
Source: TNS



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Customers:
Supporting our customers
Continued

In **safety**, our customers expect us to play a key role in their progress towards such goals as “Zero Harm” or “Target Zero”. We do this in a number of ways from driving safer product design through our supply chain to ensuring that all equipment is tested for safe operation prior to every hire. During the year, we updated many of these processes to incorporate further safety procedures. In 2015 we also fitted our unique anti-entrapment system, Activ’ Shield Bar, onto the 1,000th UK Platforms diesel boom as part of our commitment to ‘safety as standard’. Our dedicated training division, HSS Training, has extended its course availability to customers during the year and now offers 261 industry-recognised technical and safety courses at either customer sites or one of 52 HSS training venues throughout the UK and Ireland.

In ensuring our customers’ **value**, we launched our transactional e-commerce system during the year which includes local stock availability checks to save on unnecessary journeys. In addition our Remote Fleet Management systems have been extended from our power generation fleet where they assist customers in remotely monitoring the fuel needs of their generators without unnecessary journey to other areas of our business. A good example is our powered access fleet at Heathrow airport where it helps to protect from fraud and assist in ensuring only safety-trained users operate the equipment.

Our **availability** was extended during 2015 by the opening of 50 new low-cost, eco-friendly, small footprint local branches which help to reduce carbon emissions from unnecessary travel by being located near to our customers. On average the majority of UK businesses are now less than 15 minutes away from our network of over 320 branches and trading locations; our new e-commerce platform also provides a seamless Click and Collect service. All of this makes solid commercial sense but also contributes to ensuring hire plays its role in reducing unnecessary manufacturing and carbon emissions.

Support is all about ensuring that we equip our colleagues with the skills and knowledge to help our customers. In 2015, there was an increase of 45% in the numbers of colleagues who were trained in our HSS Hire Training Academy. Read more about our [colleague development programmes on page 20](#).

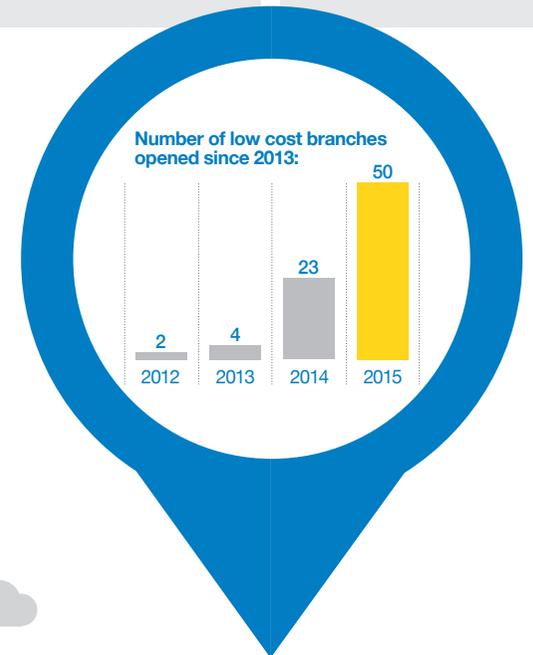


Number of colleagues trained in Academy:

2014: 387
2015: 526



In 2015 we fitted our 1000th Activ’ Shield Bar to a UK Platforms Diesel Boom Lift as part of our commitment to “safety as standard”.

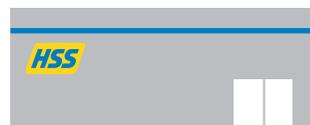


Products:
**Our product
lifecycle**

HSS' major environmental and social impacts are not only in how it runs its operations but critically in the impacts that arise through the product lifecycle of its fleet. We are committed to responsible sourcing and extending the life of our equipment to minimise unnecessary manufacturing and through appropriate disposal. Our primary commitment is to reduce our product wastage through these methods every year.

Our new refurbishment centre

Our most visible contribution during 2015 was the opening of our new purpose-built refurbishment centre in Manchester. While we have undertaken specialist refurbishment since 2010, we have now invested in a 36,000 sq ft. specialist facility, with capacity to significantly increase our refurbishment capability. In 2016 we aim to process more boom and scissor lifts and generators than we processed in our previous centre, with a clear aim to extend the useful life of every machine by at least five years. The facility has been designed with a commitment to environmentally-friendly operations in a defined layout by our partners Unipart, and includes overhead lifting capacity, dedicated engine and welding areas, waste and component recycling and extraction equipment. At the end of refurbishment to manufacturer-approved specification, all powered access machines are independently inspected and leave with a new LOLER certificate ready for ongoing hire.



Our purpose-built refurbishment centre limits unnecessary emissions from manufacturing through extending equipment life to manufacturer-approved specifications.



Our new refurbishment centre significantly increases our refurbishment capability.

Our specialist facility measures

36,000 sq ft

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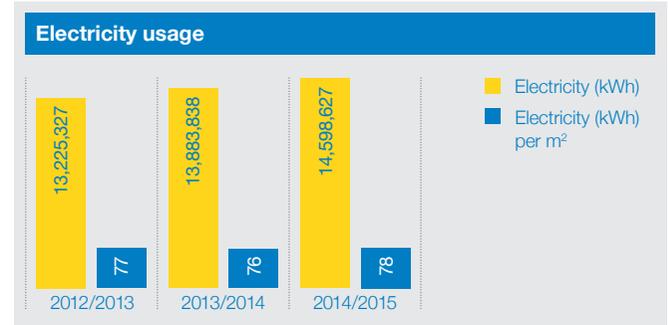
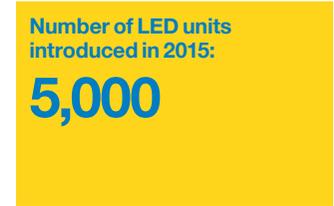
Products:
Our product lifecycle
Continued

Sustainable sourcing

We strive to reduce energy and fuel consumption and increase the life of our products through working with manufacturers. We have introduced a number of innovations in 2015 including:

- Energy Harvest units in the ABird and Apex fleets of generators: banks of batteries are charged by a generator during its normal daytime running. Once the working day ends the generator is switched off and the energy demands overnight are fulfilled by the batteries, reducing fuel usage and CO₂ created by up to 50%.
- Lithium Ion Hybrid Lighting Towers which use less than one tenth the fuel of a conventional lighting tower with the engine only running for two hours in every ten hour cycle, also reducing wear and increasing the product life.
- LED lighting: This year we introduced five LED low level light products to the range: a total of 5000 units. These lights reduce energy consumption by up to 94% whilst still delivering the same performance and are safer and more durable.

Central to more sustainable equipment are products that are robust enough for frequent use. We are committed to constantly monitoring and reviewing all products, listening to the “voice of the customer” to drive specification and process improvements. Data is also captured through our regular testing processes. As part of this ongoing review, several products have been discontinued from our range during 2015 and more durable replacements found. In each case we work with the supplier to design in improvements and ensure responsible disposal.



Calculated using recorded data within the Group's Carbon Reduction Commitment (CRO) annual reporting database for 1 April to 31 March for each period.



APEX / ABird energy harvest units



Products:
Our product lifecycle
Continued

We have also introduced a more rigorous audit process for our supply chain which includes “hard-wiring” sustainability into our Supplier Terms and Conditions. To date, the process, which includes supplier self-auditing, has been implemented for the top ten suppliers across all categories who supply 80% of our equipment by value.

Our commitment to reducing product wastage is reflected in our disposal methods. 75% of products which are no longer suitable for use within our fleet – typically because of technical advances where newer models become available, suitability for hire or visual condition – are sold to trackable markets where they are still of use. Where safety issues are the cause of disposal they are of course, scrapped and recycled where possible.

Our long term goal is to reduce product wastage through sustainable sourcing and extending the product’s useful life. We measure this through stock write-off. We expect this to increase in the short term due to the implementation of our new National Distribution and Engineering Centre but to decrease thereafter.



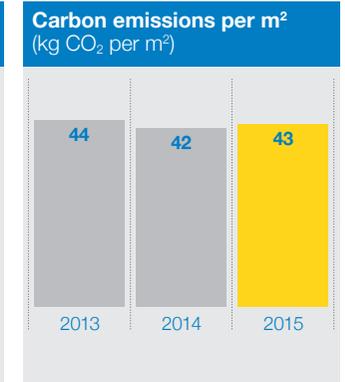
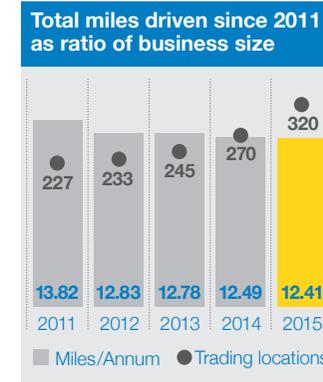
Operations:
Distribution, our built environment, waste management and minimising our carbon emissions

Distribution

Our customers will only choose hire over ownership and their hire provider as HSS, if we make sure that we have our products readily available to meet their needs. Availability is also a proxy for utilisation which is a measure of how well we optimise our capital investment.

HSS has worked hard since 2010 to evolve our distribution network, choosing to adopt a retail-like model which shares a national core hire fleet amongst our customers. We have reduced our miles driven over the period recognising that emissions from our transport fleet have the single biggest impact from our business operations (see right). We have achieved this through systemised transport management.

In August 2015, we announced the latest evolution to our distribution network, the opening of a new National Distribution and Engineering Centre. This centre opened in March 2016 and the roll out across England, Wales and Scotland is underway. As deliveries to our local branches will be separated from those to customers, we believe that our miles travelled will increase in the first year of implementation by around 15%, but are confident that our 2018 goal of reducing both miles per job and miles travelled as a ratio of our network will be achieved. We will report on our progress against this goal for 2016 and subsequent years.



Calculated using recorded data within the Group's Carbon Reduction Commitment (CRC) annual reporting database for 1 April to 31 March for each period.



**Operations:
Distribution, our built
environment, waste
management and minimising
our carbon emissions**
Continued

Energy efficiency in our built environment

All our new local branches are fitted with energy efficient lighting and heating including movement detection and daylight sensors where appropriate. Unfortunately LED lighting is not sufficiently developed to allow safe and efficient working in our Distribution Centres. Our goal for 2018 is to reduce energy consumption in our local branches by 5% per annum over the period when compared to the overall floor area occupied. Our progress per sq. metre is documented in the chart on the previous page.

Minimising our waste

We are committed to minimising the generation of waste through effective sourcing, recycling and re-use. During 2015 our service provider collected over 326,000 kilos of hazardous waste, an increase of 5% from the previous year and we completed our fourth year with zero hazardous waste to landfill. Our efforts to ensure that we continue to increase the amount of commercial waste – paper, card, metal and plastic for example - we recycle despite our growth, continued with 67% of commercial waste being recycled compared to 66% in 2014.



Calculated using data recorded by the Group's supplier of hazardous waste collection services.



Calculated using data recorded by the Group's supplier of non-hazardous waste collection services.



**Operations:
Distribution, our built
environment, waste
management and minimising
our carbon emissions**

Continued

Minimising carbon emissions

We focus on minimising our impact on the environment in several ways:

- Our refurbishment centre extends the life of equipment and minimises unnecessary emissions (see page 9);
- We increased customer availability and reduced customer journey emissions through opening a further 50 small-format local branches in the year (see page 8); and
- We have contracted with our main energy supplier for our electricity purchases to come from renewable sources

HSS is fully compliant in terms of both ESOS and CRC reporting having met all Government guidelines with regards to both programmes. In 2016 we will commence reporting to level 3 Carbon Disclosure Protocols. We are also committed to attaining ISO 50001 accreditation by 2018, including full International Performance Measurement and Verification Protocol compliance.

Greenhouse Gas Emissions

The Group reports on the all of the emission sources required under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in 2013.

The Group use GHG Protocol Corporate Accounting and Reporting Standard data gathered to fulfil the reporting requirements under the CRC Energy efficiency scheme and DEFRA conversion factors to calculate greenhouse gas emission disclosures. The vast majority of this data has been sourced from validated sources which include Carbon Reduction Commitment (CRC) and DEFRA conversion factors. The extent of the GHG reporting boundary comprises of all building and transport emissions within the three reporting scopes.

Greenhouse Gas Emissions			
	Consumption	Emissions (TCO ₂)	Conversion Factor
Scope 1 Emissions			
Fuel combustion	931,100 kWh	181	0.184557
Company vehicles	5,243,586 Litres	13,549	2.5839
Leeds Bunkered Diesel	196,822 Litres	509	2.6024
Fugitive Emissions	7,727 Litres	20	2.6024
Scope 2 Emissions			
Purchased Electricity	14,917,614 kWh	7,313	0.49023
Scope 3 Emissions			
Business Travel	3,045,916 Miles	909	0.289469
Total Greenhouse Gas Emissions		21,972	



Operations:
Distribution, our built environment, waste management and minimising our carbon emissions
Continued

The table on page 15 sets out the Greenhouse Gas emissions for the group split into:

- Scope 1: All direct greenhouse gas emissions from sources owned or controlled by the Company;
- Scope 2: Indirect greenhouse gas emissions from the consumption of purchased electricity, heat or steam; and
- Scope 3: Other indirect emissions. Here we report business travel.

The DEFRA Carbon Factor is also provided for each emission category to evidence the rates used to calculate the associated Greenhouse Gas Emissions.

Unless otherwise stated all data is provided for the period 1 October 2014 to 30 September 2015. This reporting period does not cover the same period covered by the financial statements, but has been adopted to allow the majority of data used to be actual recorded data rather than estimated consumption.

The total emissions produced by the Group during this period totals 21,972 TCO₂.

Comparative data for prior periods is not provided as this is the first year in which the Group is required to report greenhouse gas emissions in its Annual Report.

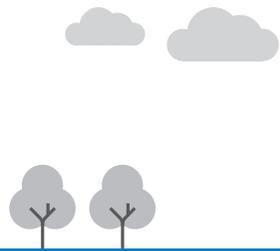
The methodologies used to calculate the information in the Greenhouse Gas Emissions table on page 15 are set out in the table to the right.

ESOS

The UK Government established ESOS (the Energy Savings Opportunity Scheme) to implement Article 8 (4 to 6) of the EU Energy Efficiency Directive (2012/27/EU). The ESOS Regulations 2014 give effect to the scheme and the Environment Agency is the UK scheme administrator. ESOS is a mandatory energy assessment scheme for organisations in the UK that meet the qualification criteria. The Group was required to carry out an ESOS assessment for 29 January 2016. The assessment was undertaken by our energy and environmental consultants Maloney Associates. It included a full review of the energy use throughout our portfolio and transport fleet.

During March 2016 the Group was selected by the Environment Agency to be one of the first major organisations within the UK to undertake an external audit of the ESOS compliance submission. As an outcome of the audit it was confirmed that the Group had undertaken the ESOS review, methodology and reports to an exceptionally high standard.

Emission category	Methodology
Fuel Combustion (Gas data for HSS building portfolio)	Based on invoiced gas usage for the period January 2014 to December 2014 due to outstanding queries on supplier invoices within the period January 2015 to September 2015.
Company Vehicle emissions	Collated using data from fuel card provider and direct purchase records for cars, HGVs, Vans and Commercial vehicles in litres converted according to Defra guidelines.
Leeds Bunkered Diesel	Collated with the use of internal purchase order records converted according to Defra Guidelines.
Fugitive Emissions	Collated with the use of internal purchase order records converted according to Defra Guidelines.
Purchased Electricity (for HSS building portfolio)	Collated from consolidated invoices received from electricity providers with consumption in kWh converted according to Defra guidelines
Business Travel	Collated from expensed mileage claims and converted according to Defra Guidelines.



Colleagues: Our colleagues' wellbeing and development

Key to the success of our business, and also to the role that our business plays in ensuring that hire is seen as a commercially sound and sustainable option, are our colleagues. These pages detail our processes to protect our colleagues and how we invest in them to ensure they provide the best possible service to our customers.

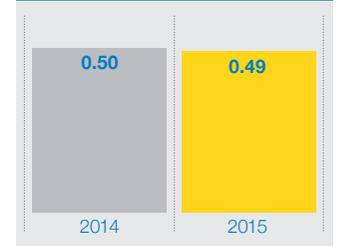
Safety

Our primary concern is to keep our colleagues safe at work. Our environments require the highest standards of rigour in ensuring protection from the dangerous operation or movement of equipment. We have worked hard through our "Serious about Safety" programme to reduce our accident and injury rates. The charts opposite show some of our progress including the overall KPI measure of RIDDOR frequency which is the reportable injuries under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations. In 2014, our RIDDOR frequency ratio stood at 0.50 and in 2015 showed a small decrease to 0.49.

We have a concentrated focus on ownership of safety at every level from the Board to colleagues in branches and distribution centres. The new ISO standards to be introduced in October 2016 support this ownership and empowerment through strong management values, and a multi-disciplined team has been working with our dedicated HSEQ team to ensure we are prepared for the transition from OHSAS:18001 to the new ISO 45001 and for the changes to ISO 14001 and ISO 9001. We have concurrently reviewed our safety structures and created a HSEQ Communication Forum with newly appointed representatives from every Group division to ensure best practice ahead of the introduction of the new standards.

Our work in introducing a new range of Personal Protective Equipment (PPE) across the business in 2014 has seen a significant and ongoing reduction in hand injuries and we continue to assess and introduce gloves which are fit for purpose in the diverse jobs our colleagues undertake every day. However, following a reduction of 50% in head injuries from 2013 to 2014 following the introduction of bump caps, we have seen a minor increase in head injuries and a trend in minor eye injuries in 2015 which we are addressing again with improved PPE options.

RIDDOR frequency ratio:



**Colleagues:
Our colleagues' wellbeing
and development**
Continued

Employment and wellbeing

It is also important that we protect our colleagues from other pressures that may arise at work. We have a strong cultural ethos which does not tolerate bullying or harassment; as well as the appropriate policies we have a well-publicised and effective whistleblowing process which encourages colleagues to raise any concerns confidentially and which has resulted in disciplinary action where appropriate.

We have a full raft of policies to cover all other aspects of employment and these are renewed annually in the second quarter to ensure they are legally compliant. Our terms and conditions are similarly reviewed every year by legal counsel to ensure we are compliant with any legislative changes. We work with Towers Watson to benchmark our salaries and agree pay bands, aiming to pay median salaries across our job roles. We also contribute to their annual surveys and this year, in addition, took part in the Towers Watson National Living Wage Pulse Survey. This helped to inform our review of the National Living Wage, where we – in line with 85% of respondents to that survey – have concluded that we will introduce in April 2016 in line with the legislative dates. Our colleagues also receive a number of other benefits including Healthshield protection and Life Assurance as part of standard terms and conditions.

CONTINUED 



**Colleagues:
Our colleagues' wellbeing
and development**
Continued

Diversity

We strive to ensure that our colleague base is representative of the communities in which we operate. We ensure all our policies and procedures are free from bias and have processes in place to deal with discrimination or unfair treatment of colleagues. Our recruitment policy encourages applications from all backgrounds. As at 26 December 2015, 492 (15%) of all of our employees were female. At the Board level, one Non-Executive Director was female (representing 14% of the Board) and at the senior management level (excluding Board members) 11 were female (13%). In Board and senior manager positions (excluding the Board) we have improved from 2014 when we had a 12% ratio for each of these areas, however we recognise that these ratios are not reflective of wider society and are working to further improve our employee diversity through the coming years.

We have increased the number of women employed in branch sales by 15% in 2015 and intend to increase this by a further 15% in 2016. Our programme is focused on ensuring that we recruit, train and develop women specifically within our branch network, aiming to increase the level of female representation in our management teams through this activity. Our key aim is to ensure that at least 1/3 of our colleague base is female by 2018. We increased the ethnic mix of our colleagues across the business in the year by 0.1% but aim to add an additional 5% in 2016.



**Colleagues:
Our colleagues' wellbeing
and development**
Continued

Investing in our colleagues

We are committed to investing in our colleagues' development, believing in delivering lifelong skills for employment and recognising that these skills help to promote our sustainable hire solution for customers.

Our primary commitment is to increase the number of training days to 5.0 days per annum per colleague by 2018. In 2015, the number of training days was 4.3, in line with 2014. We achieved major steps up in 2013 and 2014 to 2.7 and 4.3 respectively through the development of our bespoke Training Academy which delivered residential training to all new sales colleagues.

We have started the work to take our Academy to a virtual model as well as the physical Academy itself. Through a regional "Branches of Excellence" programme, we will create a network of training branches which will ensure induction and ongoing product and skills training for branch colleagues, providing updates, product training and skills training on a regular basis. Our Academy in Reading will evolve to become an aspirational venue for leadership, management and sales training in line with our long term goal of providing development for colleagues across the Group at each stage of a sustainable career.

Our partnership with Cranfield University School of Management will continue and we have also started a programme of management capability development leading to qualifications with the Institute of Leadership and Management (ILM). We will continue to build our successful Apprenticeship programme, expecting to take on up to 30 in 2016, providing a pipeline for front line roles across the Group as well as opportunities for young people.

We committed at the end of 2014 to widening our survey of colleague engagement from our engineers and logistics colleagues to across the business. Having reviewed best practice from other organisations, we are still committed to this programme but have decided, due to the considerable change associated with the roll-out of our new National Distribution and Engineering Centre, to introduce this in the second half of 2016. We are committed to reporting our progress in our 2016 report and aim to have 75% of our colleague base participating by 2018.



CITB Grant audited training days as a ratio of the average number of employees employed by the Group during the CITB assessment period (to 31 March in each year).



Communities: Supporting our communities sustainably

At HSS we see ourselves as a local business with a national presence and take the role that we play in our communities seriously. Our long-running Heroes of Hire programme is a unique expression of our culture which aims to share our colleagues' skills and expertise within the communities in which we operate.

The programme is two-fold: firstly it rewards colleagues who are seen by customers or their colleagues to go above and beyond their day-to-day duties through awards at the end of the year. These awards include a "Community Hero" award which recognises HSSers who have typically been involved in heroism in their local area. The second element is our colleague volunteering programme which encourages colleagues to mobilise teams to help with specific community projects.

During 2015, we were pleased to help multiple projects including mobilising 12 volunteers to help our customer, Simons of Lincoln, with redecorating a youth centre in Horsham and helping Heathrow airport refurbish part of the Arbour Vales School for those with learning difficulties in Slough. Other examples include helping to create an urban food garden for local residents in Merseyside and supporting the US Embassy in London with a local community project on September 11th in memory of the 9/11 tragedy.

We were also pleased to help with multiple projects for the BBC TV series DIY SOS lending tools and equipment free-of-charge for each project designed to transform the homes of those with disabilities, illnesses, or those who have suffered at the hands of poor workmanship. We also mobilise volunteers alongside local trades. The most significant build of 2015 was for the programme DIY SOS - Homes for Veterans which saw HSSers join other volunteers to renovate 4 properties in Manchester into 8 new Veterans' homes and a Veterans support office, in just 13 days. The programme was designed to highlight the plight of British veterans who deal with post-traumatic stress disorder and physical disabilities having left the forces.



Helping Heathrow airport refurbish part of the Arbour Vales School for those with learning difficulties in Slough



We were also pleased to help with multiple projects for the BBC TV series DIY SOS lending tools and equipment free-of-charge



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Communities:
**Supporting our
communities sustainably**
Continued



4. We continued to support the HSS-Aprire Women's road race cycling team which reflects our commitment to promoting health and wellbeing to our colleagues and customers, to ensuring our colleagues and particularly our drivers are cyclist aware, and to help promote groups under-represented in sports.

5. Colleagues receive "Heroes of Hire" awards for services which go beyond the call of duty.

6. Customer, Simons Group asked us for our help with redecorating a local youth centre in May 2015.



1. In July 2015, HSS supported Heathrow Airport Limited in refurbishing part of the Arbour Vales School for children with learning difficulties, based in Slough.

2. In August 2015, HSS supported a community project to create an urban food garden for local residents in Merseyside.

3. We were grateful for the opportunity to support the US Embassy of London on a community project for Wandsworth Council on September 11th 2015.



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Communities:
Supporting our
communities sustainably
Continued

In 2016, we are committed to refocusing Heroes of Hire with a strong emphasis on providing training and support for employment skills in our local communities. We will do this through local volunteering, through free, dedicated skills and product training for those seeking work within our Training Centres nationwide and through match-funding sums raised for our charity partner by our colleagues. Our apprenticeship programme also aids in providing skills for the lifelong employability for some of our younger colleagues. We aim by 2018 to have helped 300 individual job seekers to be better equipped for employment through these activities.

In addition to our Heroes programme, we also offer all local registered charities 50% off all hire of tools and equipment and a 50% discount for those who were, or are, armed forces personnel. This also extends to those who work for the emergency services. In 2016 we will also implement a payroll giving scheme to a number of charities chosen by our colleagues.



50% OFF
For those who are or were,
armed forces personnel, or
in the emergency services

50% OFF
For all local
registered charities



Performance:

Our commitments

Our commitments are designed to ensure that HSS remains a leader in sustainable hire. The long term targets outlined here support that strategy and we are committed to reporting and measuring on our progress against these goals.

Our commitments			
Report focus area	2018 target	Measured by	Current position
SHEQ	Consistent YOY reduction in RIDDOR frequency ratio	Weekly accident reporting for exec team	0.49 in 2015 0.50 in 2014
People	5.0 training days per colleague per year	CITB Grant audited training days as a ratio of the average number of employees employed by the Group during the CITB assessment period (to 31 March in each year)	4.3 days per colleague
	A workforce that is 75% promoted from within and 33% women	% of internal promotions Female % of total workforce	41% internal promotions Female 15% of total workforce
Product lifecycle	Reduce our product wastage year on year through responsible sourcing and extending the product's useful life	Stock write off by value as a % of the total fleet value	9.8% of stock value
Carbon Reduction	Reduce energy consumption in Local Branches by 5% per annum when compared to the overall floor area occupied	External measurement by Maloney Associates	63 KW(h) electricity per M²
	YOY reduction in miles per job and YOY reduction in miles per branch	Measured using internal IT systems	Miles per job: 12.8 Miles per branch: 38,804
Community	300 job seekers benefitting from the HSS Heroes of Hire commitment to building a future for local communities	5 x colleague volunteering events per year 5 x HSS Training events up-skilling local communities	To be measured from 2016



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For further information about HSS Hire Group's CR work, please contact:
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