



Corporate Responsibility

2017 Summary

HSS Hire Group plc

Corporate Responsibility



As a large national company, we are aware that we have responsibilities to our customers, our colleagues and our local communities, as well as to the wider economy and the environment. We build on the sustainable nature of our business model with an equally responsible approach to how we conduct our business activities, both inside and outside our organisation.

Our primary responsibility is, as always, safety – of our colleagues, our customers, and of the equipment we hire – and making sure that HSS is a safe place for people to work and to hire from. We are also focused on ensuring that we operate with transparency and integrity, and on delivering a sound economic performance whilst reducing our impact on the environment, supporting our colleagues and our customers, and playing a positive role in our local communities.

1

Economic performance & governance

A responsible company generates and shares wealth in order to perform for its stakeholders – delivering a financial return for shareholders as well as ensuring continuity of supply and support for its customers and secure employment and development for its colleagues. As this Report details, HSS generated revenues of £335.8m which was shared amongst the various stakeholders in our business including our suppliers and their own supply chains, our colleagues and investors, the government and our local communities as well as a retained element to help fund future investment and growth.

We operate with integrity and transparency to ensure the highest levels of environmental and social governance with a strong management team and robust governance structures in place. We work to – and are audited against – a number of external accreditations, including the British ISO standards for health and safety and the environment. We are Safe Hire accredited and members of the British Safety Council and Considerate Constructors Scheme. We are also FORS Accredited for our commercial vehicle fleet.



2

Supporting our customers

We recognise that HSS plays an important and vital role in the supply chain and operations of our customers, so we take a responsible approach towards ensuring that we deliver a service which meets their expectations.

Part of this commitment includes surveying our customers at all levels and industries on a regular basis to assess the service they receive from us, and where they believe there is scope to improve. For a number of years we have partnered with TNS, to conduct thorough, impartial NPS interviews with our customer base twice each year.

This insight has directly impacted our strategy and operations, and led to positive change which improves the hire experience we offer our customers. The NPS score we achieved this year is significantly higher than the industry benchmark of 21.

44

2017 NPS Score
(2016: 42)

3

Reducing environmental impact through our product lifecycle

There are environmental and social impacts at every stage of the product lifecycle of all the equipment in our fleet, so we are committed to sourcing, operating and disposing of our equipment in the most responsible way possible. Our innovative, purpose-built refurbishment centre in Manchester has provided the capacity for us to significantly increase our refurbishment capability, and in 2017 we further increased the number of machines going through the centre each year. On average, each machine refurbished at the centre sees its useable life extended by at least five years.

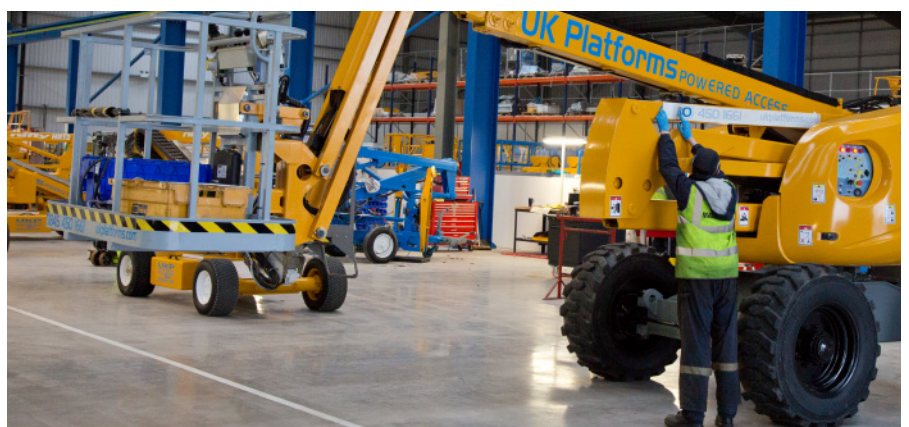


607

**machines
refurbished
through centre**
(2016: 526)

£7.2m

**replacment
value of
refurbished
equipment**
(2016: £5.32m)



Corporate Responsibility Continued

4

Reducing environmental impact through our operations

We work responsibly to limit potential negative environmental impacts which arise from our day-to-day business operations. We are committed to driving energy efficiency within our built environment as well as through our operational networks. We work to, and are accredited against, industry recognised environmental standards, and work hard to regulate our use of natural resources, reduce polluting emissions and minimise waste. We are accredited to ISO and OHSAS standards:

→ 9001 Quality

→ 14001 Environment

→ 18001 Health and Safety (OHSAS)

From April 2018 the 9001 and 14001 accreditations will be audited against the revised standards criteria. The OHSAS 18001 standard is transferring to the new ISO 45001 standard later in 2018. We are currently working towards our reaccreditation.

65 kWh/m²
Group electricity usage (2016: 69 kWh/m²)

30kg **84%**

carbon emissions
per m²
(2016: 36kg)

commercial waste
diverted from landfill
(2016: 68%)

Greenhouse Gas Emissions

The Group reports on all of the emission sources required under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in 2013. We 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 all building and transport emissions within the three reporting scopes:

- all direct greenhouse gas emissions from sources owned or controlled by the Company;
- indirect greenhouse gas emissions from the consumption of purchased electricity, heat or steam; and
- other indirect emissions; here we report business travel.

Unless otherwise stated all data is provided for the period 1 April 2016 to 31 March 2017. 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 was 27,853.8 TC02 (2016: 28,116).

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.

	2017			2016		
	Consumption	Conversion factor	Emissions (TCO ₂)	Consumption	Conversion factor	Emissions (TCO ₂)
Scope 1 emissions						
Fuel combustion	934,187 kWh	0.183645	176	2,515,448 kWh	0.18407	480
Company vehicles	4,557,734 litres	2.19697	18,687	4,956,014 litres	2.5839	12,829
Leeds bunkered diesel	160,159 litres	0.24592	39.4	209,000 litres	2.5839	540
Fugitive emissions ¹	22,380 litres	1.50938	33.8	16,335 litres	0.21468	24.7
Scope 2 emissions						
Purchased electricity	14,480,788 kWh	0.44662	6,540	14,127,033 kWh	0.49636	7,012
Scope 3 emissions						
Business travel ²	7,903,725 miles	0.30088	2,378	24,355,118 miles	0.293416	7,794
Total greenhouse gas emissions			27,854	28,116		

The methodologies used to calculate the information in the greenhouse gas emissions table are set out below.

Emission category	Methodology
Fuel combustions (gas data for HSS building portfolio)	Based on CRC statements provided by gas suppliers for the period 1 April 2016 to 31 March 2017.
Company vehicle emissions	Collated using data from fuel card provider and direct purchase records for cars and commercial vehicles in litres converted according to Defra guidelines.
Leeds bunkered diesel fuel	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)	Based on CRC statements provided by electricity suppliers for the period 1 April 2016 to 31 March 2017.
Business travel	Collated from expensed mileage claims and converted according to Defra guidelines.

* During the production of this report some discrepancies were found in the reported data for 2016. We believe this accounts for the significant difference demonstrated in this year's figures.

5

Colleagues

Central to the successful delivery of our strategy are our people. Our colleagues make HSS, so we are committed to ensuring we create a diverse workforce, representative of the communities in which we operate. Colleague safety is our upmost priority, and we aim to provide for and protect their wellbeing and invest in their training and development to ensure that they are both appropriately skilled and motivated.

In 2017 we were pleased to see a continued reduction in RIDDOR occurrences thanks in part to an increased internal focus on safe working practices. Our commitment to offering continued training and development for our colleagues at all levels, saw us move to a blended approach to learning, encompassing training courses delivered online, through the management population, as well as more traditional classroom or depot based learning. Colleagues involved in professional diploma or certification programmes are allowed time away from their roles to complete these each year.

As of 31 December 2017, 17% of all of our colleagues were female. Despite this figure being in line with many other companies in our industry, we recognise the need to improve this. Our Gender Pay report has demonstrated our commitment to rewarding all colleagues at a fair and equal level regardless of gender.

0.39

RIDDOR
(2016: 0.40)

15%

women
(2016: 17%)

8%

gender pay gap

6

Communities

Our extensive branch and operations network allows us to play a part in hundreds of communities across the UK and Ireland, and we are committed to making a positive impact wherever we can.

Our Head Office in Manchester regularly hold dress down days to raise money for our charity partners, and we donate the 5p charge from all our carrier bags to Dementia UK.

We are also committed to supporting educational efforts in our communities and offer work placements in our Head Office support teams to students from some of the local universities.



Approval of the Strategic Report

The Strategic Report was approved by the Board of Directors on 5th April 2018 and is signed on its behalf by:

Steve Ashmore

Director

5 April 2018

