HSS Hire Group plc
QCA Code application
16 May 2022

	Principle	QCA Guidance	Application by HSS Hire
1.	Establish a strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	Refer to the Strategic Report which can be found in the 2021 Annual Report ("**FY21 ARA**") (pages 1 to 45). This includes details on the Group's strategic priorities, progress made against those priorities through measuring KPIs and how this creates shareholder value. The Group's values are referred to in various sections of the FY21 ARA, particularly page 2, and how those values positively impact the business and its colleagues.
2.	Seek to understand and meet shareholder needs and expectations	Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base. The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	The Board and senior management engage regularly with major shareholders and in FY21, despite the challenges of the COVID-19 pandemic, the Company held its AGM with all shareholders being able to hear the business of the meeting and submit questions in advance.

			At the 2021 AGM, all resolutions put to shareholders were passed with between 99.93 and 100 per cent of votes cast in favour.
3.	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations. Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model. Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.	This is referred to in the Environmental, Social and Governance section of the Strategic Report (page 38). Details of the Group's engagement activities during FY21 and how it interacted with its stakeholders are set out on page 43 onwards.
4.	Embed effective risk management, considering both opportunities and threats, throughout the organisation	The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer. Setting strategy includes determining the extent of exposure to the identified risks	Principal risks and uncertainties and how the Group manages risk is set out on page 30 onwards of the FY21 ARA. This includes a risk management framework setting out how risk is managed and by whom and also highlights key risks to the business and how these are mitigated, balancing tolerance with risk appetite.

		that the company is able to bear and willing to take (risk tolerance and risk appetite).	
5.	Maintain the board as a well-functioning, balanced team led by the chair	The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board. The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement. The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. Directors must commit the time necessary to fulfil their roles.	Refer to the Corporate Governance Report on page 50 onwards of the FY21 ARA. This includes a governance framework and reports from each of the committees of the Board. A Board evaluation is carried out annually when the Board's activities and support it receives are reviewed. The criterion for there to be at least two independent non-executive directors is met.
6.	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity,	The Board has a balanced composition, with relevant skills and expertise. Refer to the Board of Directors biographies on pages 48 to 49 for more details on each.

		including gender balance, as part of its composition. The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.	The Nomination Committee is responsible for reviewing the size, structure and composition of the Board and establishing appropriate succession plans (see page 55 of the FY21 ARA). Directors are able to obtain external advice, at the cost of the Company, when needed.
7.	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team. It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.	The Board carries out an evaluation of its performance annually as described on page 55 of the FY21 ARA. The Nomination Committee is responsible for establishing succession plans for the Executive Directors.
8.	Promote a corporate culture that is based on ethical values and behaviours	The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management	Refer to the ESG Report on page 38 onwards of the FY21 ARA. The Company has a Code of Ethics which is available at hsshiregroup.com which cross-refers to various individual policies covering the business and its colleagues and the values and behaviours expected of them.

		team. Corporate values should guide the objectives and strategy of the company. The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company. The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.	
9.	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	The company should maintain governance structures and processes in line with its corporate culture and appropriate to its: • size and complexity; and • capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.	The Board is ultimately responsible for Corporate Governance and is responsible for engagement with shareholders. The Senior management team are responsible for the day-to-day running of the business with key decisions put to the Board. The roles of the committees are explained in the FY21 ARA as set out above. There are also matters reserved for the Board.
10.	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist: • the communication of shareholders' views to the board; and	Refer to FY21 ARA, page 43 onwards entitled "Our Stakeholders".

		• the shareholders' understanding of the unique circumstances and constraints faced by the company. It should be clear where these communication practices are described (annual report or website).	