



HSS HIRE GROUP PLC.
Sites Biodiversity Report 2023

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1. About this report

The purpose of this report is to identify whether HSS Hire Group Plc. has activities that are in, or near to, biodiversity sensitive areas and determine their proximity to such areas. Operational activities that are proximal to biodiversity sensitive areas, are assessed to understand if, and how, they may have a potential environmental risk and impact. Possible future improvement recommendations are based on the current assessments, and are tailored to each type of HSS site. This initial screen provides an early indication of potential concerns regarding biodiversity, and serves to give guidance, that can be used for informed decision-making within the company.

2. Scope

This report was developed whilst limiting the scope of HSS Hire Plc.'s activities to those situated at operational branch locations that are within the buildings and grounds leased by the company. As the report aims to provide an initial screen of HSS Hire Plc.'s activities, this report does not include the locations of third-party suppliers of HSS Hire Plc. Currently, information regarding the biodiversity impact through suppliers' operations is collected through our supplier audits. Future reports may broaden the scope to cover such third-party localities, as and when the relevant data is gathered regarding their individual environmental impacts that are potentially materially relevant.

3. Report Overview, Executive Summary

As part of the Biodiversity report 2023, it was identified that HSS Hire Plc. has activities near to biodiversity sensitive areas. These activities were defined as the company's operational branch locations, which amounted to a total of 80 sites at the time of producing this report. Biodiversity sensitive areas were mapped against these HSS sites, using resources, data and tools, publicly available from Key Biodiversity Areas (KBAs) ¹, to identify those that are within standard distance buffers of 50km, 10km and 1km, which are based on IFC Performance Standard 6 (PS6), and also apply to World Bank Environmental and Social Standard 6 (ESS6) ². Further details on KBAs can be found in the Methodology section.

It was identified that out of the 80 HSS sites, there were 8 less than 1km away from KBA sites (10%), 50 less than 10 km away (62.5%) and all 80 were less than 50 km away (100%). The 8 HSS sites that are within 1km of KBA sites were assessed further, and it was found that three of these sites are standard HSS branches, two are Abird-Apex (specialist power), another two are Click & Collect (CDCs) and one is a 'dark' site, which is no longer used by HSS Hire Plc. The environmental impacts that are potentially materially relevant to the company's overall activities were identified, and those that corresponded with the International Union for Conservation of Nature (IUCN) threats for the proximal KBA site ($\leq 1\text{km}$) are summarized in Table 1, with the risk assessment-derived impact score given for each HSS site.

Table 1. HSS branches within 1km from a KBA site, that have activities which are potentially materially relevant to the IUCN threats (Level 2) for that site

		HSS branch locations							
		Londonderry, Queens Quay	East London (Abird)	Edinburgh, seafield way	Beckton CDC	Woking	Galway CDC	Gosport (Abird)	Newport, IOW
Proximal KBA site name	Lough Foyle and River Foyle	Thames Estuary and Marshes	Firth of Forth	Thames Estuary and Marshes	Thames Basin Heaths	Galway Bay	Portsmouth Harbour	Solent Marshes and Southampton Water	
Distance (km)	0.06	0.10	0.12	0.22	0.30	0.36	0.39	0.62	
Medium risk IUCN threats (Level 2)	Risk factor score (low, medium, high)								
4.1. Roads & railroads		Low		Low					
4.3. Shipping lanes		Low		Low					
9.1. Domestic & urban waste water	Low	Low	Low	Low					
9.4. Garbage & solid waste		Low	Low	Low					
Impact score	Low	Low	Low	Low	None	None	None	None	

The environmental impacts that are potentially materially relevant to the company’s activities, only matched with the IUCN threats for the proximal KBA site, at 4 HSS locations (5% of the total 80 sites). These 4 HSS sites (**1.** Londonderry, Queens Quay; **2.** East London; **3.** Edinburgh, Seafield Way; **4.** Beckton), as shown in Table 1, were assessed as having a low impact score, because of the low likelihood and possible severity of the event occurring (due to the existing health and safety policies and risk assessments, such as for disposing of wastewater and solid waste, as well as the use of designated roads, railroads and shipping lanes). The 4 sites were then evaluated using the mitigation hierarchy (avoid, minimise, restore and off-set), where it was also identified that the current protocols, are already in place to aim to avoid and minimise any potential negative impact.

4. Company Overview

Overview of the company	
Brief description of company	HSS Hire Group is a market leader in equipment hire in the UK and Ireland
Stakeholders	Colleagues, Customers, Suppliers (equipment and rehire), Shareholders, Investors and Local communities
Number of employees	2,081
Financial year	1st January 2023 to 31st December 2023
Supply Chain Composition	HSS supply chain is comprised of two internal teams – procurement (core) and rehire (ProService). There are over 900 procurement suppliers and 600 rehire suppliers.
Vehicle Fleet	End of FY22, HSS had 847 vehicles in their fleet: Company Cars (317) – 50 (electric), 79 (PHEV/hybrid), 188 (diesel), Vans (172) – 6 (electric), 46 (PHEV/hybrid), 120 (diesel) 4 x 4s (19) – (all diesel) HGVs (339) – (all diesel)
Geographic locations	At end 2022 HSS had 80 sites across the United Kingdom (UK) and the Republic of Ireland (ROI)
Awards, Accreditations and Certifications	<ul style="list-style-type: none"> • Quality ISO 9001 • Environment ISO14001 • Health and Safety ISO45001 • EcoVadis Gold • SBTi 2040 near term validation • FORS Gold accreditation • Construction Line – Gold • Contractors Health & Safety Assessment Scheme (CHAS) • HAE Safe Hire Certificate • iPaf Rental+ • Railway Industry Supplier Qualification Scheme (RISQS) • Safe Contractor

5. Methodology

5.1 Defining the activities of HSS Hire Plc.

The activity locations of HSS Hire Group Plc. were defined as all active and current operational sites which include, standard branches, CDCs, Training ,Abird-Apex (specialist power) and ‘dark’ (vacant HSS sites, that are no longer used). A first screening of the types of environmental impacts that are potentially materially relevant to HSS Hire Plc.’s activities, was carried out using the Science Based Targets Network (SBTN) Materiality Screening Tool v1 [accessed on 07/11/2023] ³ and the results are given in Table 2.

Table 2. Environmental impacts that are potentially materially relevant to HSS Hire Plc.’s activities

Company activities	Nature-related issue area	Pressure category
Marine transportation	Land/Water/Sea use change	Marine use
	Climate change	GHG emissions
	Pollution	Water pollutants; Soil pollutants
	Invasives and Other	Disturbances; Biological alterations
Infrastructure holdings	Resource Use	Water use
	Pollution	Water pollutants; Soil pollutants
Distribution	Climate change	GHG emissions
	Invasives and Other	Disturbances; Biological alterations

5.2 Defining biodiversity-sensitive areas

The definition of biodiversity-sensitive areas, referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/213912, includes Key Biodiversity Areas (KBAs), as well as other protected areas. The identification of KBAs has been developed through extensive consultation over several years to a global standard, which sets out global criteria and quantitative thresholds ¹. Therefore, HSS sites were mapped against KBAs, using publicly available resources, tools and data accessed from <https://www.keybiodiversityareas.org/sites/search> [accessed on 13/10/2023].

5.3. Determining the proximity of HSS Hire Plc.'s activity locations to biodiversity-sensitive areas

The distance (in km) of HSS Hire Plc. branches to KBAs was measured using a scaled map, obtained as previously described, and validated using ImageJ software ⁴. The number of branches within a standard 50km buffer, as well as 10km and 1km buffers were then reported, and the scaled maps for HSS sites within 1km of KBAs are annotated with these standard distances (in Figure 1). These distance thresholds are based on International Finance Corporation (IFC) Performance Standard 6 (PS6), and also apply to World Bank Environmental and Social Standard 6 (ESS6) ².

Maps of HSS sites and their proximity to Key Biodiversity Areas

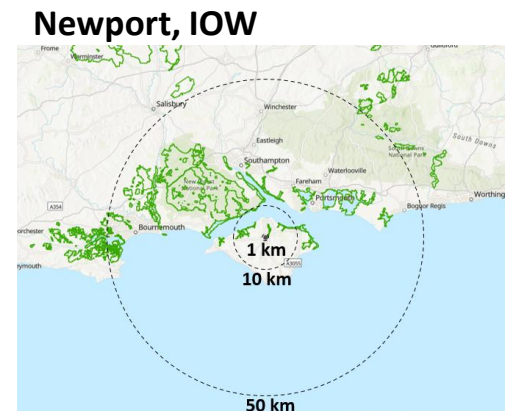
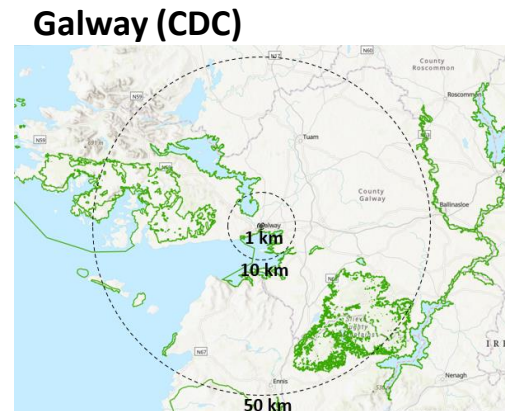
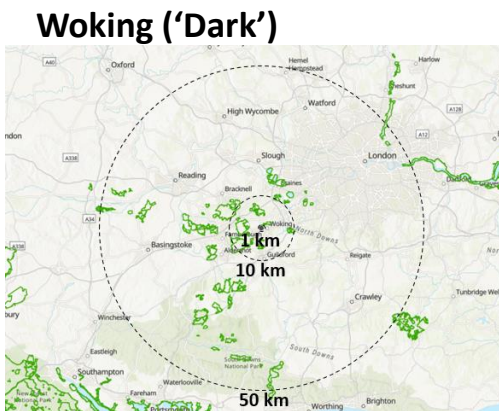
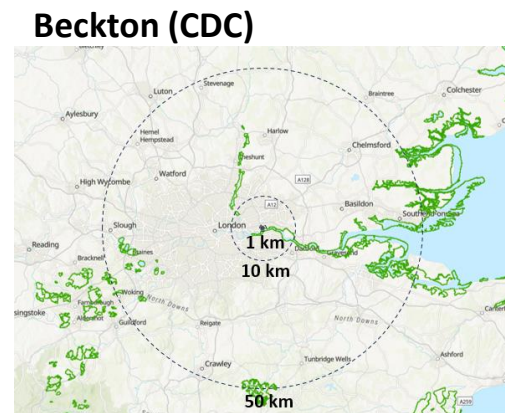
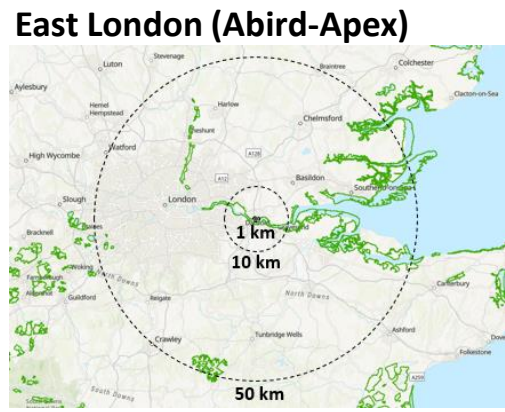
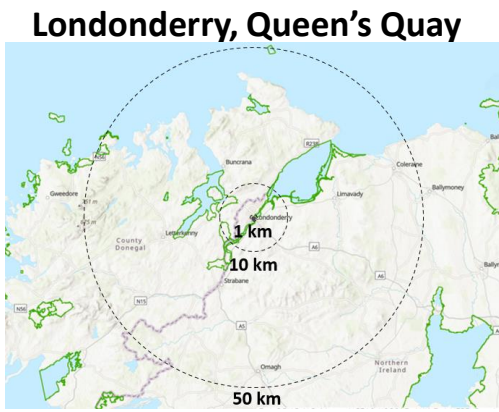


Figure 1. Scaled maps for HSS sites within 1km of Key Biodiversity Areas (KBAs), annotated with standard distance thresholds of 50km, 10km and 1km. The perimeters of KBA sites are shown in green, and the HSS site is represented by a black dot. Distance thresholds are represented by dashed lines, surrounding the HSS site and are to scale.

5.4. Assessment of HSS Hire Plc.'s operational activities and their potential biodiversity risks and impact

5.4.1. Classification of potential biodiversity threats

The IUCN threats classification scheme comprises human activities or processes (that are either actively impacting, have previously impacted, or may have a future impact on the status of the assessed taxon (group of organisms), at various scopes (affecting the whole (>90%), majority (50–90%), or minority (<50%) of the population) at varying severities (those causing, or likely to cause: (i) very rapid declines (>30% over 10 years or three generations); (ii) rapid declines (20–30% over 10 years or three generations); (iii) slow but significant declines (<20% over 10 years or three generations), (iv) fluctuations; (v) negligible declines or no declines) ⁵. Therefore, the IUCN categorises this information into the 'timing' of threats, which may (i) have occurred historically and can be either likely, or unlikely, to return, (ii) be 'on-going', and are a present threat, or (iii) be 'future' threats, that are likely to occur within the next three generations, or ten years (whichever is longest, and up to a maximum of 100 years) and the threats are coded as having a 'high' or 'medium' impact ⁵, based on this timing, as well as the scope and severity, as shown in Table 3A and B.

Table 3. Summary of the 'IUCN threat impact scoring system version 1.0' impact coding

A) On-going threats

Scope	Severity				
	Very rapid	Rapid	Slow	Fluctuating	No score
Whole	High impact	High impact	Medium impact	Medium impact	Medium impact
Majority	High impact	Medium impact	Medium impact	Medium impact	Low impact
Minority	Medium impact	Medium impact	Low impact	Low impact	Low impact

B) Future threats

Scope	Severity				
	Very rapid	Rapid	Slow	Fluctuating	No score
Whole	Medium impact	Medium impact	Low impact	Low impact	Low impact
Majority	Medium impact	Low impact	Low impact	Low impact	Negligible/ no impact
Minority	Low impact	Low impact	Negligible/ no impact	Negligible/ no impact	Negligible/ no impact

5.4.2. Identification of IUCN major threats in relation to the KBA sites proximal to HSS operational locations

It is recommended by the IUCN that analysis of threats should take into account the 'timing', 'scope' and 'severity' of the threats, with 'on-going' timing, 'very rapid' or 'rapid' decline severity, and 'majority' or 'whole' scopes, considered as a major threat to a species ⁵. Therefore, the IUCN threats that are regarded as a major threat using this classification (i.e. with high or medium impact coding, for either on-going or future threats, as outlined in Table 3A and B) were recorded for the nearest KBA to each of the 80 HSS operational locations. Table 4 summarizes the information of the IUCN major threats for the 8 HSS sites that are less than 1km away from KBAs (identified as described in Section 5.3.).

Key
Impact and timing

- High, on-going
- Medium, on-going
- High, future
- Medium, future
- On-going

Table 4. HSS branches and the IUCN threats (level 1 and 2) at their proximal KBA sites (<1km)

		HSS branch locations							
		Londonderry, Queens Quay	East London (Abird)	Edinburgh, seafield way	Beckton CDC	Woking	Galway CDC	Gosport (Abird)	Newport, IOW
		Proximal KBA site name	Lough Foyle and River Foyle	Thames Estuary and Marshes	Firth of Forth	Thames Estuary and Marshes	Thames Basin Heaths	Galway Bay	Portsmouth Harbour
Distance (km)		0.06	0.10	0.12	0.22	0.30	0.36	0.39	0.62
IUCN threats (Level 1)	IUCN threats (Level 2)	IUCN threats for each KBA site							
1. Residential & commercial development	1.1 Housing & urban areas								
	1.2 Commercial & industrial areas								
	1.3 Tourism & recreation areas								
2. Agriculture & aquaculture	2.1 Annual & perennial non-timber crops								
	2.2 Wood & pulp plantations								
	2.3 Livestock farming & ranching								
	2.4 Marine & freshwater aquaculture								
3. Energy production & mining	3.3 Renewable energy								
4. Transportation & service corridors	4.1 Roads & railroads								
	4.3 Shipping lanes								
5. Biological resource use	5.1 Hunting & collecting terrestrial animals								
	5.4 Fishing & harvesting aquatic resources								
6. Human intrusions & disturbance	6.1 Recreational activities								
	6.2 War, civil unrest & military exercises								
7. Natural system modifications	7.2 Dams & water management/use								
	7.3 Other ecosystem modifications								
9. Pollution	9.1 Domestic & urban waste water								
	9.2 Industrial & military effluents								
	9.3 Agricultural & forestry effluents								
	9.4 Garbage & solid waste								
11. Climate change & severe weather	11.1 Habitat shifting & alteration								
Other	Other: untreated sewage into Sea Bay								

5.4.3. Assessment of the company's overall activities against IUCN threats

When operations are near biodiversity-sensitive areas, a mitigation hierarchy (avoid, minimise, restore and off-set) can be used to limit the negative impacts on these areas ⁶. Therefore, HSS sites which were less than 1km away from KBAs (identified as described in Section 5.3.), were assessed to determine whether the environmental impacts that are potentially materially relevant to the company's overall activities (outlined in Section 5.1.), corresponded to the IUCN threats (level 2, which is a subcategory of level 1 and provides more specific detail to the nature of the threat) for the proximal KBA site (Table 5). This assessment provides an indication as to whether the company's overall activities are potentially materially relevant to the IUCN threats.

Table 5. IUCN threats (level 1 and 2) and the activities of HSS Hire Plc. that are potentially materially relevant to these threats

IUCN threats (Level 1)	IUCN threats (Level 2)	Company activities that are potentially materially relevant to the IUCN threat
1. Residential & commercial development areas	1.1 Housing & urban areas	N/A
	1.2 Commercial & industrial areas	N/A
	1.3 Tourism & recreation areas	N/A
2. Agriculture & aquaculture	2.1 Annual & perennial non-timber crops	N/A
	2.2 Wood & pulp plantations	N/A
	2.3 Livestock farming & ranching	N/A
	2.4 Marine & freshwater aquaculture	N/A
3. Energy production & mining	3.3 Renewable energy	N/A
4. Transportation & service corridors	4.1 Roads & railroads	Distribution
	4.3 Shipping lanes	Marine transportation
5. Biological resource use	5.1 Hunting & collecting terrestrial animals	N/A
	5.4 Fishing & harvesting aquatic resources	N/A
6. Human intrusions & disturbance	6.1 Recreational activities	N/A
	6.2 War, civil unrest & military exercises	N/A
7. Natural system modifications	7.2 Dams & water management/use	N/A
	7.3 Other ecosystem modifications	N/A
9. Pollution	9.1 Domestic & urban waste water	Infrastructure holdings
	9.2 Industrial & military effluents	N/A
	9.3 Agricultural & forestry effluents	N/A
	9.4 Garbage & solid waste	Infrastructure holdings
11. Climate change & severe weather	11.1 Habitat shifting & alteration	N/A
Other	Other: untreated sewage into Sea Bay	N/A

The data presented in Table 5 shows that the company's activities of distribution, marine transportation and infrastructure holdings may be potentially materially relevant to the following IUCN threats (level 2): 4.1 roads & rail roads, 4.3 shipping lanes, 9.1 domestic & urban waste water and 9.4 garbage & solid waste, respectively. Data available from KBA ¹ was then analyzed, to identify if these IUCN threats are recognized as having a high or medium impact score, at any of the KBA sites within 1km from an HSS operational location. Four HSS sites were found to be proximal (<1km) to KBA sites and have IUCN threats that may be materially relevant to the company's activities. These threats were then assessed using a standard risk assessment, to derive a risk factor score. The standard risk assessment, as described in the Government's Department for Environment, Food & Rural Affairs (DEFRA) 'Guidelines for Environmental Risk Assessment and Management: Green leaves III' ⁷, is based on (1) the likelihood of the risk occurring and (2) the severity of the risk, attributing to the consequences (Figure 2).

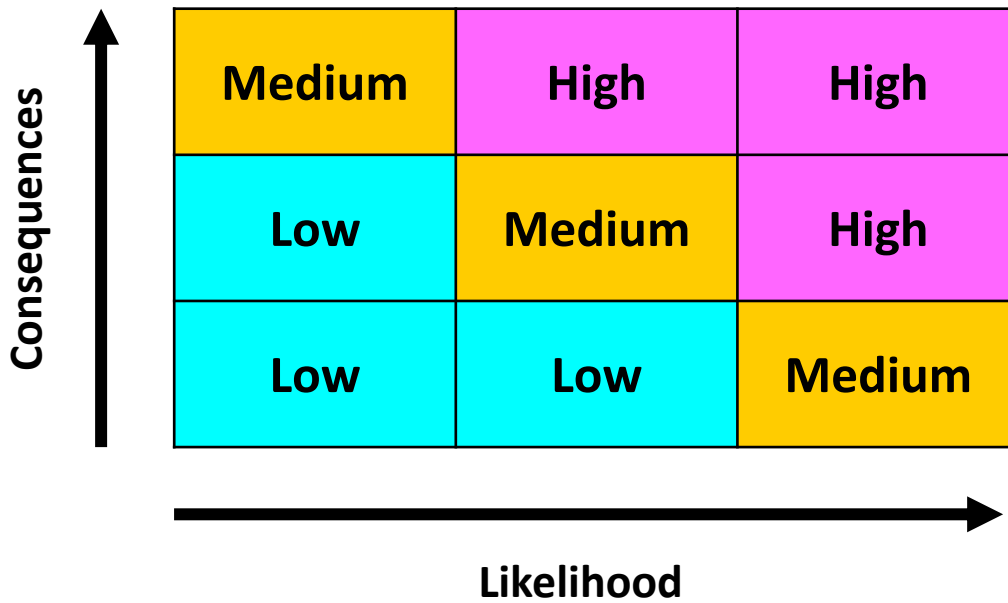


Figure 2. Risk assessment matrix for calculating a risk factor score. Analysis of the magnitude of the consequences and likelihood of a risk event being materialised, enables a risk factor score to be calculated. Low-consequence/ low-probability risks are recognised in decision-making, as those that only require monitoring, whereas high-consequence/ high-probability risks are regarded as needing strategy to manage the risk. Other risks i.e. those with a medium risk factor score, can be better understood with a structured risk assessment. (Figure adapted from Gormley-Gallagher *et al.*, 2011).

All IUCN threats potentially materially relevant to the company’s activities, had an IUCN medium impact score and a low likelihood of the event occurring (due to the existing health and safety policies, and risk assessments) hence, all risk factor scores for the four HSS sites are ‘low’. The four HSS sites which had a ‘low’ risk factor score, were then evaluated using the mitigation hierarchy (avoid, minimise, restore and off-set)⁶ to assess whether there is opportunity to limit any potential negative impact.

6. Monitoring

HSS Hire Plc. is committed to monitoring the biodiversity impact of their locations annually, in order to ensure that the appropriate considerations for the long- and short-term consequences to their operations are made as an on-going process. This continual annual assessment allows for a better understanding of any possible negative implications of the company's operations and activities, as new information arises, and provides an opportunity so that any newly identified risks can be mitigated. The biodiversity annual review forms the basis of the information that will be presented and feedback to the HSS Hire Plc. ESG committee, forum, and board, which ultimately drives the necessary changes required to prevent negative impacts on biodiversity.

7. Next Steps

HSS Hire Plc. may look to address and refine their methodology for assessing their impact on biodiversity as the methods of identifying biodiversity risks and opportunity, as well as the availability and quality of data improves. Other factors which are not currently listed as SBTN pressure categories, such as noise and air pollution, may be monitored and their impact on biodiversity may be assessed in future reports. The scope of the report may look to expand the current definition of the company's activities, as those located at active operational branches and within the buildings and grounds leased by the company, to include the locations of third-party suppliers of HSS Hire Plc., as at present, the biodiversity impact through suppliers' operations is collected through our supplier audits. HSS Hire Plc. may also look to carry out future supply chain analysis, which would involve and assess the impact of their upstream supply chain and any reliance that these have on nature, as well as a downstream assessment to monitor the impact of products and their end-of-life. Finally, HSS Hire Plc. may use the information presented in the current report to address any necessary modifications to the existing health and safety policies, and risk assessment documentation, to include, where applicable, information relating to the company's activities, that are proximal to biodiversity sensitive areas.

Abbreviations

CDCs – Click and collect branches

ESG – Environment, social and governance

ESS6 – World Bank Environmental and Social Standard 6

EU – European Union

IFC – International Finance Corporation

IUCN – International Union for Conservation of Nature

KBA – Key Biodiversity Area

PS6 – IFC Performance Standard 6

SBTN – Science-based targets network

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