

BEING A RESPONSIBLE BUSINESS IS KEY TO OUR SUCCESS

We take great pride in being a responsible business at Ashtead. We are often a crucial part of local communities and being able to operate responsibly within those, as well as giving back to them, is an important part of who we are.

RESPONSIBLE BUSINESS



Our operational mantra of delivering Availability, Reliability and Ease is backed up by taking responsibility in everything we do. Being a responsible business helps deliver the trust that makes our business function – trust that the equipment we provide will arrive on time, trust that it will do what we say it will, trust that it will be well maintained to make sure it works and trust that it is compliant with all health and safety requirements.

Prioritising responsibility in a broader context means we seek, through our sustainable business model, to improve the lives of our customers, employees, investors and the communities where we

live and work. Being active, engaged members of the communities where we operate is enormously important to our staff. Our customers trust us to provide better service than our competitors. Our employees trust us to help keep them safe and reward them well for their efforts. Investors trust us to deliver good returns throughout the economic cycle.

Above are the responsible business elements that we judge to be the most material to our business and which we discuss in detail here. We assess why each matters, how we have performed and our objectives.

Ensuring Ashtead remains a responsible business

The obligation for ensuring Ashtead prioritises being a responsible business rests with the Group’s Board of directors. The Board is assisted in this function by the Group Risk Committee which is chaired by Michael Pratt, our finance director. Other members of the Committee are:

- the head of Sunbelt’s central operations, the Sunbelt board member to whom the risk, environmental, health and safety teams report and one of the operational senior vice presidents;

- the head of A-Plant's risk, environmental, health and safety team and A-Plant's head of performance standards; and
- UK and US counsel.

The Group Risk Committee provides the Audit Committee, and through them the Board, with a comprehensive annual report on its activities including new legislative requirements, details of areas identified in the year as requiring improvement, and the status of actions being taken to make those improvements. It also facilitates the coordination of the environmental, health, safety and risk management activities of Sunbelt and A-Plant so that best practice and new initiatives in one business can be shared with, and adopted by, the other.

Our commitment to the highest ethical standards means that the Group Risk Committee also works to ensure these continue to be communicated and upheld throughout the business. During the year we updated the Group's modern slavery and human trafficking policy, business ethics and conduct policy and ethical sourcing policy. These are communicated directly to employees through dedicated communication and training programmes. Whistle-blowing arrangements, in place in the US, Canada and the UK, allow employees, in confidence, to raise concerns about any alleged improprieties they may encounter.

The Group Risk Committee priorities this year included:

- assessment of the Group Risk Register, including identification and prioritisation of business risks;
- health and safety, together with continuous improvement through training and awareness;
- driver safety, training and compliance;
- recruitment, development and retention plans;
- monitoring of compliance with General Data Protection Regulation ('GDPR') requirements;
- performance standards audits; and
- maintaining ISO certifications.

HEALTH AND SAFETY



Why it matters

Health and safety is of paramount importance to our business as we need to provide equipment that is safe to use and minimise any risks to our people and our customers. A strong reputation for excellent health and safety is a significant competitive advantage for us. In addition, an ever-changing regulatory focus on safety and more stringent requirements for all operators, continues to assist our growth. It is easier and cheaper to outsource responsibility for equipment safety to us than for customers to worry about it themselves. This has been an important factor in the shift to rental that has underpinned our growth in the US and reinforces our position in the UK. Similarly, it is a key differentiator in the Canadian market as we increase our presence there.

Our extensive health and safety programmes monitor, develop and maintain safe working practices while reminding our employees of the need to be safe at all times and look after their own health. Our continued improvement is accomplished through a combination of proactive safety and leadership training, enhanced safety programmes and timely incident response and investigation. We also help our customers ensure the safety of their own employees including providing safety training as required. In addition, we make a considerable annual investment in ensuring our rental equipment meets or exceeds the latest safety standards, as well as providing health and safety advice and materials along with each rental.

How we monitor performance

We monitor health and safety by the number of reported incidents that occur during our work. We track and analyse all incidents to enable us to identify recurrent issues and implement preventative improvements. The importance of health and safety is reflected in the fact that the number of reportable accidents is one of our group-wide KPIs (see page 29).

At Sunbelt we continue to develop and improve our incident management system which enables us to manage incidents while allowing us to investigate, analyse root causes and track corrective/preventative actions. This year Sunbelt US had 1,520 reported incidents relative to an average workforce of 12,148 (2018: 1,434 incidents relative to an average workforce of 11,380), Sunbelt Canada had 170 incidents relative to an average workforce of 880 (2018: 111 incidents relative to an average workforce of 584) and A-Plant had 261 incidents relative to an average workforce of 3,711 (2018: 298 incidents relative to an average workforce of 3,643). For the purposes of our internal tracking, the term incident does not necessarily mean that an employee was hurt or injured. Rather it represents an event that we want to track and report for monitoring and learning purposes under our health and safety management policies. We continue to focus on timelier reporting of every incident or first aid event that occurs.

What is evident from these incidents is that less tenured employees are much more likely to suffer an injury or be involved in an accident at work than well tenured employees. Accordingly, this is a key area of focus as we look to improve our recruitment and onboarding processes and subsequent mentoring of new employees to enhance the safety environment and improve our retention levels amongst our less tenured employees.

Reportable accidents continue to be defined differently in the US, Canada and the UK. Under the different definitions which generally result in more accidents in the US being reportable than in the UK, Sunbelt US had 230 OSHA (Occupational Safety and Health Administration) recordable accidents (2018: 187 accidents) which, relative to total employee hours worked, gave a Total Incident Rate of 1.31 (2018: 1.20). Sunbelt Canada had 35 OSHA recordable accidents (2018: 15 accidents) which, relative to total employee hours worked, gave a Total Incident Rate of 3.30 (2018: 2.48). In the UK, A-Plant had 17 RIDDOR (Reporting of Injuries,

Diseases and Dangerous Occurrences Regulations) (2018: 17), reportable incidents which, relative to total employee hours worked, gave a RIDDOR reportable rate of 0.22 (2018: 0.22). In order to compare accident rates between the US and UK, Sunbelt also applied the RIDDOR definition to its accident population which gave a figure this year of 119 RIDDOR reportable accidents in the US and a RIDDOR reportable rate of 0.34 and six RIDDOR reportable accidents in Canada and a RIDDOR reportable rate of 0.28. We remain committed to continuing to reduce these rates as much as possible.

Safety initiatives

Historically, Sunbelt's safety efforts have focused on reducing or eliminating all incidents, regardless of the potential severity. The thought was that this approach would be the most beneficial in preventing more serious or catastrophic incidents. We recognise that the causes of less severe incidents are often different from the causes of serious or catastrophic events; therefore, we are focusing on events that have the potential to be serious or catastrophic so that we can eliminate or control our exposure to high-risk situations.

Less serious events are not always predictive of more serious incidents. By evaluating high-risk situations and eliminating the noise will allow us to focus on the highest risks and implement more effective controls (using a hierarchy that starts with eliminating the exposure and realises that personal protective equipment is the last line of defence between our people and a hazard.)

A cross-functional team was created to develop our standards, tools and processes that will allow us to evaluate our operations and identify the tasks that have the greatest potential to lead to serious injury or event. All part of our mission to prevent serious or catastrophic events.



EMPLOYEE SPOTLIGHT:

Twin drivers – Charlie and Ed Smith

Charlie and Ed Smith are twin brothers, both of whom started their driving career at Sunbelt over 20 years ago. Charlie and Ed have had exemplary careers and a bit of fun along the way – notably confusing customers and co-workers. Most recently, these twin brothers achieved the significant milestone of driving one million miles (two million collectively) without a single incident or DOT violation. Driving has been a long-time passion for these brothers and one which they bring to work – always pushing and challenging each other to see who can load a truck better or most efficiently in order to get the job done.

Ed attributes his one million mile achievement to his family as they are the driving force that keeps him safe. “Going home to my family, that’s the goal,” says Ed. For Charlie, it’s the pride of doing the job the best he can. “The key to driving is paying attention to your surroundings. Other drivers aren’t looking for you, so you have to look out for them.”

Driver and vehicle safety

Our North American transportation fleet continues to operate as one of the safest fleets in the equipment rental industry. Our commercial vehicle training programme is an ongoing initiative across the US and Canada, which ensures that all our drivers are trained in vehicle safety and compliance. We continue to be among the leaders of our industry in continuously supporting the training and education of employees in commercial vehicle compliance and safety, including core training on hours of service, truck inspections, technology enhancements, load securement and hazardous materials.

Our motor vehicle incident rate continues to decline. Our Driver Behaviour Management System (‘DBMS’) takes data from our onboard telematics units and communicates it directly to our motor vehicle compliance team with results shared to field operations daily. This helps us control any on-the-road unsafe behaviours and activities.

While designed to improve driving behaviour, we also benefit through cost savings due to lower fuel usage, engine and vehicle maintenance and accidents.

In addition to DBMS, employees participate in online driver risk assessments that identify safe and unsafe behaviours through interactive driving modules. By identifying the risk profiles of our drivers, we will be able to develop specific adaptive learning programmes for them. Through the use of electronic driver logs, our drivers receive real-time feedback on their hours of service and our fleet safety compliance team is able to retrieve driver data immediately. In addition to the electronic hours of service logs, we have also transitioned to an electronic pre-trip inspection that is conducted on the driver’s phone. We are also implementing the DBMS and electronic drivers’ logs in Canada.

In the UK, we train over 550 drivers each year. Our driver training courses are aimed at delivery drivers and cover areas such as loading and unloading of vehicles, working at height, site safety and manual handling. All general drivers at A-Plant, including delivery drivers and fitters, are required to undertake the A-Plant Driver Induction Course, which is delivered in the form of workshops and covers transport procedures, legislation, hazard perception and practical driver assessments.

Other safety initiatives

We recognise that everyone must take responsibility for their own safety and the safety of others. Every Sunbelt employee is asked to take a safety assessment in order to become a 3-star Safety Champion. This assessment focuses on accountability for themselves, their team and their communities. By identifying the commitment to their own safety, being comfortable stopping work and identifying risks for a co-worker and finally, becoming confident enough to approach a stranger and stop their work will result in them becoming a 3-star Safety Champion.

Sunbelt has core safety processes across its stores in North America.

- The Near Miss programme provides insights into our exposures across our businesses.
- The Pre-Task Planning (Take 10 programme) programme requires everyone to take at least 10 seconds to think through the job they are about to do using a pre-task planning checklist. Examples of tasks/jobs where this is applied are loading/unloading, wash bay work, checking equipment in, and technicians repairing or conducting routine maintenance on the equipment.
- The Safety Committee Engagement programme ensures all Sunbelt's stores participate in having safety meetings and engage in topics such as near miss reporting, being more observant in looking for exposures, corrective action closure, etc.
- Incident Prevention: Through the leadership of our store managers, safety coordinators and all our associates, we are making progress toward preventing incidents from happening.

- Regional safety managers are present in our business, daily engaging with team members. Their role includes truck inspections, facility assessments, training and listening to feedback from our people during our Wellness Visits.

In addition, Sunbelt's senior leadership team's weekly safety meetings provide focus towards developing solutions that can be replicated across the Group. Sunbelt and A-Plant hold an annual safety week, designed to increase awareness of the importance of safety across the business. The senior leadership and middle management support for safety is extremely high across the business. Our focus is at a local level where the work gets done to ensure we move from good to great.

Sunbelt is a Safety Week partner. We strive to strengthen our industry's safety culture and performance by sharing best practices, tools and resources. Safety Week is sponsored by members of the Construction Industry Safety Initiative ('CISI') and the Incident & Injury Free Executive Forum. We are focused on the impact our safe choices have on our team members, their families and the communities in which they live and work. We are united in our commitment to continuously improve our safety culture and send each employee home safe each day. The 2019 theme is Safe by Choice, where we held mass safety meetings across the organisation, with the goal to encourage and inspire everyone to be leaders in safety.

For several years, A-Plant has used the 'Setting the Safety Standard' brand to promote safety within the rental industry, to our customers and staff. In addition, A-Plant runs the Work Safe Home Safe campaign to ensure staff also take responsibility for their own safety and all A-Plant managers undertake the five-day IOSH (Institution of Occupational Safety and Health) Managing Safely course. A focus this year has been on mental health and a campaign, 'don't walk by, it's OK to challenge, it's OK to be challenged', was launched to develop further the safety culture across the business by encouraging our employees to challenge others on safety matters.

**WORK
HOME SAFE**

A-Plant also monitors near miss incidents in addition to actual incidents and uses this information to adapt our processes to reduce the risk of such events becoming incidents. Where incidents do occur, our procedures ensure we learn and improve our processes.

Health programmes

It is crucial that our workforce is a healthy one and we work hard to look after our people and help them look after themselves. When our staff are on top form, they provide the best service to our customers. Virgin Health Miles is a programme we use to reward our US staff for healthy behaviour, which incentivises them to track their health and invest in it to reap the programme rewards that we are providing. Staff get savings on their healthcare costs if they do exercise, for example. Some 29% of US staff are currently enrolled in the scheme and 39% of those are earning health miles. Members have earned \$134,000 in rewards and report that the programme makes Sunbelt a better place to work.

Working on safety with our customers and suppliers

Being a responsible business means sharing and promoting our safety culture with our customers and suppliers whenever possible. For example, Sunbelt and A-Plant have dedicated aerial work platform, forklift and earth moving operator trainers who train customers and we offer customised training programmes to fill their needs. In the US, we work with customers' safety teams to develop customised training courses, sometimes for a specific jobsite, the passing of which becomes a requirement for the customer operator. We now offer dedicated full-time safety trainers for our customers in 50 markets across North America.

We continue to expand our customer training offerings for the following:

Operator training:

- Aerial work platforms, boom lifts and scissor lifts
- Forklifts, warehouse and telehandler rough terrain
- Earth moving equipment, loaders, excavators, backhoes

Train the trainer:

- Aerial work platforms
- Forklifts
- Earth moving equipment
- Fall protection

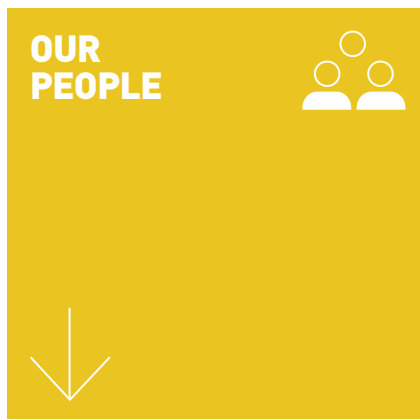
Scaffolding:

- User hazard awareness
- Competent person
- Suspended platforms hazard user awareness
- Suspended platforms competent person
- Customised courses available

For Canada, additional classes include:

- Working at height safely
- Propane handling
- Lock out tag out
- Working safely in confined spaces

In the UK, A-Plant regularly participates in training days for major customers, demonstrating safe use of equipment and running training seminars. This is in addition to the routine safety briefings that accompany equipment rental. We offer one of the rental industry's widest ranges of equipment for water suppression, on-tool dust extraction and personal protective equipment.



Why they matter

We endeavour to hire the best people, train them well and look after them so that they provide the best possible service for our customers. Our aim is to keep employee turnover as low as possible to enable us to build on the skill base we have established. This is core to the success of the business and our competitive position and therefore staff turnover is one of our KPIs (see page 29).

In general, the rental industry suffers from high staff turnover, particularly within certain job categories such as mechanics and delivery truck drivers, with turnover being particularly high within the first two years of employment. We increasingly find our staff targeted by competitors which, whilst a compliment, means we have to work harder to retain them.

In Sunbelt, our voluntary staff turnover is 15% (total staff turnover is 20%) with two-thirds of this turnover arising from people with less than two years' experience. Although staff turnover is slightly higher in A-Plant, the overall picture is similar. Voluntary staff turnover is 19% (total staff turnover is 23%) and around 60% arises from people with less than two years' experience.

Our employees are driven, conscientious and loyal and we work hard to maintain that through market-leading training and development and superior reward and benefits. Both Sunbelt and A-Plant have extensive programmes in place to ensure high standards of recruitment, training and the appraisal, review and reward of our employees. A key area of focus for improvement is the onboarding and mentoring of new recruits. As can be seen from staff turnover levels and safety statistics, employees are unlikely to leave us and much less likely to suffer an injury or accident at work if they have been with us for two years or more.

In addition, we endeavour consistently throughout the year to maintain and develop arrangements aimed at involving employees in the Group's affairs and hearing their views. Regular meetings are held at stores to discuss performance and enable employees to input into improvements as well as providing feedback on their own levels of satisfaction.

Increasingly, as we grow, we add to our employees through acquisition. When we acquire companies, we also acquire their knowledgeable and dedicated staff who have often built up a successful business. To maintain that success, we adopt a circumspect approach when it comes to integrating new staff into the Group. Employees' contracts and conditions are analysed, and if there are differences with Group terms, we phase-in any convergence over a period of time. We want new employees to be engaged with the new environment in which they find themselves, so we hold a presentation day for staff where senior management presents an overview of the Group, our plans for the acquired company and how they fit into our strategy for the future. We then further demonstrate our commitment to our new employees by investing in the business they helped build. Furthermore, integrating these new employees into our health and safety programmes contributes to enhanced health and safety within the rental industry.

Sunbelt's Workday system

Sunbelt's online human capital management system, Workday, enables us to offer a single source for recruiting, on-boarding, payroll, time tracking, benefits, and employee self-service. Last year we launched Workday for Sunbelt Canada as well as introducing a Talent/Performance Management module, additional integration (including one with Sunbelt's Learning Management System that enables employees and managers to view transcripts in Workday) and advanced compensation functionality.

Through Workday, employees benefit by having a one-stop source where they can update their personal information, view their paystubs, update benefits information, and apply for jobs internally.

Likewise, supervisors have an invaluable tool to help manage their direct reports better. Every employee can view Sunbelt's comprehensive organisational reporting structure across all divisions to gain a better understanding of the company as a whole and better equip themselves to serve our customers. As we continue to grow, Workday is allowing us to be more efficient in how we engage with our employees, as well as work and communicate with them throughout the entire employee lifecycle experience.

Recruitment

With Sunbelt's rapid growth, recruiting new employees is of the utmost importance. Our recruitment efforts are not only focused on finding the right employees and communicating the benefits of working for Sunbelt, but bringing awareness and excitement about the opportunities we provide. Our focus is on improving and standardising our recruitment and onboarding processes to reduce the level of turnover in the first two years. To aid these efforts we have a number of programmes/initiatives including:

- Manager In Training ('MIT')
 - This programme identifies top talent out of college and the military and places them through an accelerated training programme.

- Partnerships with various trade schools across the US to provide a paid Co-Op programme for students approaching graduation
- Participants work through the following stages: orientation, yard, equipment knowledge, rental counter, small tool repair, service department, scissor lifts, dispatch, road technician, book lifts, driving, diagnostics, forklifts, and rough terrain forklifts, with a final assessment.

A-Plant has a careers website which allows prospective employees to apply online and management of the whole recruitment process internally, from posting of vacancies through interviews and offer/ unsuccessful letters. Users are able to sign up for job alerts in specific regions or divisions and internal reporting is both detailed and tailored. We are planning to move towards a more cost-effective and professional direct sourcing model which leverages the A-Plant and divisional brands, and promotes the opportunities that exist across our business.



EMPLOYEE SPOTLIGHT: Debbie Swales

Debbie Swales is the contact centre manager for the A-Plant Accommodation division. She joined through acquisition seven years ago and now manages 18 accounts at the centre compared to one account when she joined. She says customers benefit from only having one point of contact for the whole accommodation hiring process, as her 15-strong team coordinates with other depots to meet all customers' requirements. They also process off-hires, liaise with project managers, process breakdowns, deal with damage and loss, and ensure compliance checks for rehire contracts. "It's great to see how much the contact centre and our team have grown in a relatively short space of time. From day one I've been impressed with all the personal touches at A-Plant and how everyone makes time for you. It also struck me how many employees have been with A-Plant for 25, 30, 35 years...even more."



EMPLOYEE SPOTLIGHT: Santos Cazares

Santos is responsible for training service managers and others on technical and procedural processes. He spends most of his day on the road travelling from branch to branch coaching employees, helping them understand processes and influencing what support is available. The 21-year veteran of Sunbelt has shown that experience and determination pay off. Beginning as a service manager, he leveraged his skill set and, through hard work and determination, helped build one of the top-performing service centres in the company. He has been the go-to for many special projects within his region and has been called on to troubleshoot complex equipment projects.



If you're willing to put in the work, your work will be noticed and you'll be rewarded.

A-Plant apprenticeship programme

A-Plant's apprenticeship programme continues to win awards for being one of the most successful and highly valued schemes in the equipment rental industry. We took on 77 trainees last year and we plan to raise the number of apprentices recruited, as well as setting up an apprenticeships academy. Our apprentice programmes take between one and three years to complete and usually include outside training and a formal NVQ qualification, in addition to on-the-job training. We have six apprentice streams – plant maintenance, customer service, driver, electro technical, mechanical engineering and civil engineering at our specialist division, Leada Acrow. We are pleased that our efforts to increase diversity mean that 14% of our apprentices are female, which compares very favourably with the 7% female apprentices average for the construction industry. Our apprentice scheme also has an impressive 78% completion rate compared to the industry rate of c. 70%.

Military recruitment

Sunbelt has a long history of being a Top 50 military-friendly employer, but we are no longer satisfied to be one in a pack. By launching a series of high-profile campaigns supporting our veterans, while still upholding our tradition of attending military job fairs, we intend to be a true leader in veteran employment. These campaigns include acknowledging veterans in our current workforce, as well as expanding our work with the Gary Sinise Foundation and participating in media events, such as 'Military Makeover'. With these combined efforts, Sunbelt is determined to be the employer of choice for military veterans.

In the UK, we work in partnership with British Forces Resettlement Services ('BFRS') – a social enterprise created to help the armed forces community with their transition into civilian life. BFRS works with service leavers to provide them with the skills and opportunities they need to successfully resettle after leaving the armed forces.

Career development and training

Training and development continues throughout the careers of our employees and we have many programmes in place to ensure they achieve their ambitions, reach their potential and remain safe, as outlined above. Employees' welfare and job satisfaction is enormously important and we invest significant money and time in facilitating career development and evolving training to reflect the changing needs of our workforce.

Sunbelt has a number of career development and training initiatives including:

- an Executive Leadership Development programme;
- a leadership curriculum for all store managers;
- a technician-in-training programme for field service leadership to identify the most critical areas for training: electrical, hydraulics, preventive maintenance, diagnostics, and equipment-specific based on the fleet composition of any particular store;
- a paid technician Co-Op programme for trade school students approaching graduation;
- employee surveys;
- a Learning Management System (LMS) that delivers, tracks and manages all our training online;
- the Jumpstart Sales programme;
- the Jumpstart Manager In Training programme; and
- an intern programme both in stores and at the support office.

Following the success of the Jumpstart Sales programme, the Manager in Training ('MIT') programme was created to help drive fulfilment of key management roles within Sunbelt. MIT candidates are recruited from college/university, most often from a job or career fair. Once the best candidates are identified, they begin the six to 12-month programme. The first six months are comprised of a curriculum focused on how to run a branch from an operations, sales and financial perspective. Trainees use this time as on-the-job training where they assist the branch manager in all aspects of running the business. The end goal is for each MIT graduate to be placed as a manager or assistant manager at a branch; however, skillset and interests also allow graduates to be placed in other roles such as sales, operations, safety or project management.



EMPLOYEE SPOTLIGHT:

Sam Gribbin

Sam was recruited as a customer service apprentice at Opti-cal, which offers specialist survey equipment, but was soon identified as a star apprentice. He is now a hire controller and the main point of contact for customers, providing technical advice and instruction, having quickly picked up the necessary product knowledge. Sam goes above and beyond on a daily basis and this is one of the reasons he was awarded 'Apprentice of the Year – Specialist Light' at A-Plant's Apprentice Awards in November 2018. Sam has the ability and enthusiasm to go far, and is both a role model for others, and a shining example of what our apprentice programme enables.



VETERAN SPOTLIGHT:

Ciara McFarland

Ciara is an administrator at Sunbelt and a member of the training department where we help create the training for all employees. She is also on active duty with the Army National Guard. This is a part-time position with the military where she supports state emergencies such as hurricanes, tornadoes, floods or other natural disasters. Ciara is the supply sergeant responsible for providing all the equipment and materials needed to get projects done. She orders the materials the Army needs, the food they are going to eat, the clothing they might need. It's her job to make sure everything is ready to complete the mission. Ciara was inspired to join the military when she was 17.



I was actually in high school Army, and enjoyed learning how it works and the culture of the military. I realised, as I got older, I wanted to be a part of it and joined the North Carolina Army National Guard.

Last year, A-Plant held over 6,100 employee training days through a wide range of courses. In order to identify training needs when recruiting, A-Plant has developed a series of competence forms and adopted the OSAT (On Site Assessment and Training) programme. Each employee has their skills mapped against the qualification framework through assessment and any skill-gaps are filled through training. Through this process we can be sure of developing the skills and qualifying the experience of our workforce. To evaluate the effectiveness of our training, we issue all delegates with feedback forms and these are evaluated and actioned as required. We have also conducted our first all-employee survey 'Your Voice – make a difference', the results of which will be available shortly.

As well as classroom based training, all employees in the UK have access to an online learning zone called The Green Café (A-Plant's e-learning portal) and we plan to launch a new version of this based on an advanced learning management system to raise our capability to train, offer courses, manage mandatory training, and increase our external training revenue.



JUMPSTART SALES PROGRAMME

Jumpstart Sales is a 36-week programme through which targeted sales trainees learn all aspects of the business through education, job shadowing, mentoring, and one-to-one coaching by team members at any store. Participants engage with one another through online communities in the learning management system, responding weekly to assigned courses, readings and discussion topics. So far we have had two cohorts graduate with 100% retention in sales-focused roles. The third cohort began its experience in October 2018 and the fourth in February 2019. Through the four cohorts, trainees have been placed in all territories across North America.

A-Plant's Undergraduate Placement Programme offers university students the opportunity to spend a year in our business under the mentorship of one of our directors. Students gain an excellent insight into managing a business area at a strategic level and work on a project supporting a real business need, with a direct link to our products and customers.

Reward and benefits

We believe in treating our staff well and rewarding them for the effort they put in on our behalf. We use a combination of competitive fixed pay and attractive incentive programmes to reward and motivate staff and these drive our profits and return on investment. All eligible A-Plant employees are paid the Living Wage (as recommended by The Living Wage Foundation) and A-Plant is an accredited Living Wage Employer. Sunbelt has adopted a Leading Wage to ensure all employees are paid an hourly rate in excess of the state and federal recommended rates. The Leading Wage programme was adopted initially in the US and rolled out to Canada this year.

At Sunbelt we provide a comprehensive package of benefits ensuring they represent affordable and smart choices for employees.

Each benefit offering has been designed to work with another, providing a financial safety net that serves those employees in need, as well as providing us all with a proper sense of security. Last year we continued to offer robust and comprehensive medical coverage without a rate increase, despite the growing costs of healthcare. By continuing to promote wellness, we intend to maintain a fair and balanced health plan that is considered one of the best in our industry. The Sunbelt Rentals, Inc., 401(k) Retirement Savings Plan also continues to lead the way in employee participation, with an astounding 94% enrolment rate. In the UK, 96% of employees participate in the Group's pension arrangements. Our employees are excited to be here, and we want to help them prepare for their future, whatever it holds.

Our sales force is incentivised through our commission plans which are based on sales, both volume and price achieved, and a broad measure of return on investment determined by reference to equipment type and discount level. We flex our incentive plans to reflect the stage of the cycle in which we operate, which we believe is an important element in retaining the confidence of our workforce through the economic cycle.

In addition to their core benefits, including pension and life assurance arrangements, we have an employee assistance helpline which offers free confidential support and advice to those in need. We also have other benefits such as Virgin Health Miles to promote good health amongst our employees. A-Plant has introduced a flexible holiday arrangement enabling employees to purchase additional holiday entitlement or sell unused or unwanted holiday days back to the company, giving them the opportunity to exchange some of their holiday entitlement for additional pay and allow the employee more flexibility and choice in how they use their contractual benefits.

Diversity and equal opportunities

Providing equal opportunities for all our staff and employment diversity are priorities for Ashtead. Our recruitment comes predominantly from the areas immediately around our facilities thereby providing opportunities for local people. We make every reasonable effort to give disabled applicants and existing employees who become disabled, opportunities for work, training and career development in keeping with their aptitudes and abilities. We do not discriminate against any individual on the basis of a protected status, such as sex, colour, race, religion, native origin or age.

In the US we are required by law to monitor ethnicity in our workforce every year and we maintain a diverse workforce.

We also gather ethnicity data as part of the recruitment process in the UK and through an Equality and Inclusion Survey to monitor our diversity. Increasingly, many local authority and public sector tenders request this kind of information. We are committed to providing opportunities for people from all ethnic groups and in both geographies we have good representation from ethnic minorities across the organisation. A-Plant began a company-wide focus on Equality, Diversity and Inclusion, in order to make sure its workforce represents society as best as it can and is representative of the communities in which it works.

We aim to attract a broad and diverse mix of candidates and employees to our businesses at all levels. Nevertheless,



EMPLOYEE SPOTLIGHT:

Eddie Nguyen

Eddie works as an outside sales representative for Sunbelt and has been with the business since 2015. He started out in the industry at Value Rentals where he was a small engine mechanic, a driver and yard technician, then doing inside sales and eventually outside sales in 2002. Eddie came to the US with his brother as a refugee from Vietnam in 1984 when he was just 15. Sponsored by an American couple, he graduated college in 1988. Wanting to give back to the country that had given him a home, he joined the US Navy working as an electrician and completing two tours of the Persian Gulf. Eddie values how family-oriented Sunbelt is and the quality of leadership which makes him confident to go out, sell and do his job.



My travel and experiences make me so appreciative of what I have. I live in a country where the opportunities are endless. The more I put in, the more I get out. I have an amazing career.

our workforce reflects the nature of our business, the industry we operate in, and the markets we serve. A significant proportion of our workforce are mechanics, drivers and, in the UK, traffic management operatives, and these roles are predominantly held by men. However, we also have areas of our business which attract more women, such as professional functions, sales and customer service. As a result our industry has traditionally had many more men than women; however, we do have women at all levels within the business including on the Board, within the senior management teams and as store managers, sales executives and apprentices. While we prioritise recruiting the best people for every role, we are working to make it easier for more women to join the organisation, particularly as we grow.

WORKFORCE BY GENDER

Number of employees	Male	Female	Female %
Board directors	5	2	29%
Senior management	25	4	14%
All staff	16,099	1,708	10%

Ashtead pays men and women the same for the same role with the actual remuneration being based on their skills, experience and performance. As a result of our mix of employees and the roles they undertake, the average pay of men and women differs across the business. Summarised below is the amount by which average pay of men exceeds women:

	Pay gap
Sunbelt US	3%
A-Plant	5%
Sunbelt Canada	12%



INSPIRING YOUNG WOMEN TO CONSIDER CONSTRUCTION AS A CAREER

A-Plant is heavily involved in supplying equipment for the A14 Cambridge to Huntingdon Improvement Scheme – currently the UK's biggest road construction project. On the A14 site we have an on-site hire facility offering A-Plant equipment across multiple divisions. As part of overall efforts to encourage more girls into construction, we participated in a Women in Engineering event as part of International Women in Engineering Day. A total of 260 girls from 25 schools and colleges in the East Anglian region interacted with supply chain partners involved in the A14 project to celebrate the achievements of women in engineering and to encourage young women to enter the industry.

Anti-corruption and bribery

Anti-corruption and bribery policies are maintained and reviewed on a regular basis with relevant guidance incorporated into the Sunbelt and A-Plant Employee Handbooks and available on the Sunbelt and A-Plant intranet pages.

To ensure compliance, all senior employees at A-Plant undertake an e-learning module on The Green Café to ensure they understand their obligations and responsibilities with regard to competing fairly and the UK Bribery Act 2010. The module must be completed every 12 months, and only a 100% score on the module is acceptable. Employees must repeat the module until they achieve 100%.

Similar anti-bribery training is required by senior Sunbelt employees to ensure compliance with the UK Bribery Act and the US Foreign Corrupt Practices Act as part of an e-learning ethics training course. The training is undertaken biennially in Sunbelt and was undertaken during 2018/19. Last year was also our 'Ethics Year' with a special course created for staff. We have had a 100% completion rate for the course by all customer-facing roles in the field and our support office.

In addition, our whistle-blowing procedures enable employees to raise any concerns they may have regarding anti-corruption and bribery or any other part of the business, with details provided to the Board on a regular basis.

Human rights

At Ashtead we believe in the rights of individuals and take our responsibilities seriously to all our employees and those who may be affected by our activities. We have policies in place, such as Modern slavery and human trafficking, Business ethics and conduct and Ethical sourcing and whistle-blowing procedures, all of which protect our employees as they go about their work. These policies form part of our way of doing business and are embedded in our operations. Thus, while we do not manage human rights matters separately, we continue to assess potential risks and do not believe they raise particular issues for the business.



Why they matter

Playing a big role in our local communities is crucial to our work in the US and the UK, and increasingly in Canada. As we expand our market share, particularly in the US and Canada, we have ever more impact and influence over the communities where we hire staff and make an economic contribution. Our responsibility to those communities increases likewise. In addition, our staff feel great pride in providing a service for the community.

Our business is about helping people and getting things done. It is about finding solutions, especially when there has been an emergency or a disaster like a major flood or a hurricane. Contributing to the communities where we operate is an important differentiating factor for Ashtead staff, as well as being attractive to new recruits.

Community initiatives

In the locations where we work, we have multiple community-based programmes which often tie in well with what we do and how we do it. Raising our profile in the community in this way is completely consistent with our desire to do more in terms of the quality of life of our staff and their families.

Our stores regularly support and participate in local charity events and community service. For example, we provide support to many community sporting events. We also continue to work closely with our designated charitable partner, the American Red Cross and its affiliates such as the Second Harvest Food Bank for which we have a food drive every November. We allow employees to make payroll deductions to contribute to the American Red Cross or the Sunbelt Employee Relief Fund.

In the UK, A-Plant has chosen The Prince's Trust as its primary charity partner and will be looking to raise funds and engage in volunteer work. The Prince's Trust supports 11-30 year olds who are unemployed, struggling at school and at risk of exclusion, in or leaving care, facing issues such as homelessness or mental health problems, or who have been in trouble with the law. In addition we have also committed to working with Teach First which recruits and trains teachers, placing them in schools in low-income communities. Not only are we providing valuable funding to Teach First, the charity's teachers and pupils in partner schools also have the chance to work with A-Plant volunteers across our business.



GARY SINISE FOUNDATION

We are now in our fourth year of supporting the Gary Sinise Foundation which honours military veterans and their families through the implementation of unique programmes designed to entertain, educate, inspire, strengthen and build communities. One of the Foundation's core programmes is R.I.S.E. (Restoring Independence, Supporting Empowerment), which builds specially-adapted custom smart homes for severely wounded heroes and their families so they may gain more independence in their daily lives. Sunbelt's commitment to community and veteran support led to a partnership with the Foundation and R.I.S.E.. Through this partnership, Sunbelt supplies tools and equipment to the contractors on each of the home builds, at no charge. Last year we contributed \$1 million to the Foundation. This year we plan to expand further our fundraising and community outreach efforts through new tactics and initiatives. The ultimate goal is to bring heightened awareness to the Foundation's work and raise funds to help positively impact the lives of even more veterans.

THE ENVIRONMENT



Why it matters

As we expand our territory and service offering, we necessarily have more of an impact on the environments around our stores. We make every effort to ensure that our impact is a positive one and to limit any negative impact we may have in the course of our work. This helps us save on costs, on any potential damage to our reputation and also helps build that level of trust our customers require. It also helps our staff feel good about where they work and helps to build good relationships with the communities around our stores.

At Sunbelt, the Safety, Health and Environmental department works to improve organisational awareness and focus on our environmental initiatives with regional safety managers who are also responsible for bringing awareness and compliance to environmental initiatives. Regional safety managers are fully trained and capable of identifying risks associated with safety and environmental issues.

We conduct environmental reviews for all our newly acquired stores and plans are then developed to bring them up to Sunbelt's tough standards. Our environmental team provides input into the process for building new sites that often results in stores that exceed local environmental requirements.

In the UK, we maintained our ISO 50001 energy management certification, our significant impacts for which include electricity, natural gas for heating and diesel for our transport fleet. Our commitment to improving energy performance is intended to reduce our impact on the environment and could deliver significant cost savings.



GO GREEN OC

Go Green OC (Ocean City) launched a month-long pilot programme to measure composting practices at a resort restaurant dedicated to initiating zero waste goals. Restaurant waste in Ocean City is being transported to a nearby farm for composting. We have donated earthmoving equipment to help move the soil and to enable the organic matter to fully decompose. This is a new programme for an area that uses waste incinerators currently. The goal is to remove 50% of the rubbish from the waste stream. The compost will not be sent off to the waste incinerator, which will reduce the amount of weight being put into the waste stream. It is also less expensive to move compost locally to a farm, than to send it three hours north to be burned.



AMERICAN RED CROSS

Sunbelt and the American Red Cross share a passion for assisting with relief efforts in times of need. On top of financial donations to the Red Cross, Sunbelt often sends equipment to affected areas from locations across the US, to aid in relief efforts and to help communities rebuild.

We continue to make fleet efficiency gains in the UK. The Fleet Operator Recognition Scheme ('FORS') is an accreditation scheme that aims to improve vehicle fleet activity throughout the UK and beyond. The overarching scheme encompasses all aspects of safety, fuel efficiency, economical operations and vehicle emissions. All A-Plant locations, except for recently acquired ones, are FORS accredited with 162 locations accredited to Gold level. We expect all locations to be accredited to ensure we meet all legislative requirements, as well as helping to increase environmental and operational efficiencies.

We seek to minimise our environmental impact in everything we do. One way of measuring how well we are doing is through our carbon footprint and the monitoring of waste and other environmental KPIs. Two elements of our business which have a significant impact on the environment are our rental fleet and delivery fleet. Our significant investment in the rental fleet in recent years has resulted in one of the largest Tier IV engine fleets in the US with older, pre-Tier IV fleet being disposed, while our cooling equipment uses environment and ozone-friendly refrigerants.

Driving over 250 million miles a year delivering and servicing equipment and serving customers means that any steps we take to reduce the environmental impact of our vehicle fleet is important. These steps include the use of:

- telematics to monitor vehicle idling and driving efficiency;
- speed limiting devices on all three-axle vehicles in the US, resulting in fuel savings and increased safety;

- technology to optimise delivery routes;
- tyre pressure monitors to optimise fuel efficiency;
- fuel efficient tyres and tyre inflation systems to reduce rolling resistance in the US;
- improved design to increase fuel efficiency of the delivery and service fleet; and
- in the US providing environmental education reminders to field and service personnel through TechConnect newsletter delivered to their homes.

We continue to invest in 'greener' equipment whenever we can and where it makes economic sense, sometimes also driven by customer demand. In addition to the Tier IV engine requirements in the US, where we can, we purchase other more environmentally efficient equipment for a wide range of different applications. Customers can also opt to use less toxic biodegradable hydraulic oil for use in equipment operated in sensitive areas, for example. We also have industry-leading availability of natural gas generators and hybrid light towers. In the UK, A-Plant also continues to invest in eco-friendly equipment as our customers demand eco-friendly equipment such as power and hydraulic oil-free platforms, and bio-fuel powered equipment.

Environmental assessments and impact management are an important aspect of our business every day. We make extensive use of environmental information databases to ensure we comply with any requirements and have the appropriate permits to conduct business. When we open new locations or acquire businesses we undertake thorough environmental assessments to ensure they meet our environmental standards and do not pose an unacceptable risk to the business.

An important part of minimising our environmental impact is continuing education. We provide environmental education reminders to field and service personnel on a regular basis in the US; this is through TechConnect, a newsletter delivered to their homes.

Greenhouse gas emissions

As we are a growing business with aggressive expansion plans, our absolute greenhouse gas ('GHG') emissions will necessarily increase. However, we continue to evaluate how best we can limit that increase and mitigate the impact.

Our Scope 1 (fuel combustion and operation of facilities) and 2 (purchased electricity) GHG emissions are reported below. We have opted not to report Scope 3 emissions due to the difficulty in gathering accurate and reliable information. The majority of these arise through our customers' use of our equipment on their sites and projects.

GHG EMISSION BY GHG PROTOCOL SCOPE (tCO₂e/YEAR*)

	2019	2018
Scope 1	265,319	234,053
Scope 2	38,415	34,261
Total	303,734	268,314

* tCO₂e/year defined as tonnes of CO₂ equivalent per year.

In order to calculate the GHG emissions, we have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2018, as well as the US Environmental Protection Agency.

In the UK, we collect data from all Scope 1 and 2 vendors and hence, there is no estimation involved. In the US, due to the size of our operation, we collect data from the significant vendors and then use this to estimate emissions attributable to the balance. At April 2019, approximately 9% of the Sunbelt emissions balance was estimated.

We are also required to give an intensity ratio as appropriate for our business. Our level of GHG emissions vary with our activity levels and we have concluded that the most appropriate intensity ratio for Ashtead is revenue intensity. Our intensity metric is therefore an indication of emissions per £1m of revenue (tCO₂e/£m).

	2019	2018
Revenue intensity ratio	67.5	72.4

The majority of our revenue is in US dollars and so the reported ratio is affected by the exchange rate. On a constant currency basis (using this year's average exchange rate) our intensity ratio has reduced from 70.9 last year to 67.5 this year.

Non-financial information statement

In December 2016, the UK Government published new regulations implementing the European Union Directive on disclosure of non-financial and diversity information (the 'Non-Financial Reporting Directive'), amending the Companies Act 2006 requirements for the Strategic Report and the Disclosure and Transparency Rules.

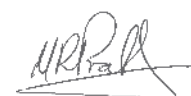
The information required by the Non-Financial Reporting Directive is included as follows:

	Location
Environmental matters (including the impact of the company's business on the environment)	Page 55
The Company's employees	Page 48
Social matters	Page 54
Respect for human rights	Page 53
Anti-corruption and anti-bribery matters	Page 53

In addition, pages 10 to 35 contains information on the Group's business model, principal risks, including those relating to the matters identified above, and key performance indicators.



BRENDAN HORGAN
Chief executive
17 June 2019



MICHAEL PRATT
Finance director
17 June 2019