DRIVING REAL CULTURAL CHANGE

Being a responsible business has always been crucial to us. We are passionate about our people, the environment and the communities in which we live and work. We care deeply about making the best impact possible on all our stakeholders and we are proud of the impact we have had in helping our people, customers, suppliers and communities, especially through the most difficult of times over the last two years. When we announced our new strategic plan, Sunbelt 3.0, last year, for the first time we embedded our ESG priorities. This added a layer of transparency and accountability to the work we do in this area and has placed ever greater emphasis on our environmental and social priorities. We have always said that being responsible is in our DNA but now it's front and centre, and visible in everything we do. Last year we launched important initiatives such as our new Diversity, Equity and Inclusion ('DEI') Task Force and we are delighted that extensive progress has already been made in raising the profile of this important work group-wide. We are excited about the progress we are making and how our innate sense of purpose is driving real change across the organisation and deepening the sense of pride we all have in the work we do.

Ultimately our ESG efforts enable us to deliver on our promises and expand the trust that makes our business tick; trust that the equipment we provide will arrive on time and do what we say it will; trust that it will be well-maintained and compliant with all health and safety requirements; trust that we are endeavouring to source the most environmentally-friendly equipment as we can; trust that everyone involved in the rental process has been treated fairly, kept safe and well rewarded; trust that we are not just taking from the communities in which we find ourselves, but are giving back real social value that can be measured.

BEING A RESPONSIBLE BUSINESS

Our goal is for our responsible business plan to be transparent, challenging and beneficial to everyone we interact with. We analysed our commitments into four key areas: our people; the environment; our communities; and governance. Following an analysis of what is material to the business in each of these areas, we then divided each area into individual segments which focus on the specific commitments we are making. In this Responsible business report we focus on the environmental, social and corporate behaviour aspects of our work. More detail on governance can be found in our Corporate governance report on page 84.

The world is changing and the impact of technological advancements, climate change, social action and unprecedented events such as the COVID-19 pandemic require ever greater attention and action. As part of Sunbelt 3.0, we are reinforcing ESG at the heart of how we operate, while unlocking the structural benefits ESG will bring to rental. Socially responsible behaviour has never been more important

than in recent times. It is easy to treat people well in the good times but the true test of an organisation is how it responds in times of adversity. The decisions we made and the actions we took during the pandemic were made with a focus on the long-term sustainability of the business. Our early decision and communication to the workforce that no one would be made redundant as a result of the pandemic meant that our team members could focus on looking after their families, communities and our customers without having to look over their shoulder continuously.

The rental industry is hugely beneficial for the environment as it leads to the most efficient use of equipment and the manufacture of fewer assets. Significant carbon emissions and consumption of earth's natural resources take place during the manufacture of a piece of equipment. At the end of its life, that equipment requires disposal. Fewer, better designed pieces of equipment utilised as part of a sharing economy are better for our planet.



The Group's activities help advance the United Nations Sustainable Development Goals ('SDGs'). We have identified the eight goals to which we believe we can make the most contribution through our focus on recruitment and training, focus on diversity, equity and inclusion, the development of our products and management of our operations.

Furthermore, our fleet consists of the most recent and technologically advanced equipment, which is well-maintained and inherently better for the environment than older, less well-maintained equipment.

Our commitment to ESG is clear and we intend to expand further on the areas detailed in this Responsible business report within our first Sustainability Report, which will be published later in 2022. Here we will map the Group's activities and metrics to existing reporting frameworks such as the Sustainability Accounting Standards Board and Global Reporting Initiative standards. We are working to quantify our Scope 3 carbon emissions and assessing the potential applicability of science-based targets. Our industry has an important role to play in reducing carbon emissions both through bringing greener technologies to market and delivering the benefits of a sharing economy. However, as a rapidly growing business, our absolute emissions will increase in the near to medium-term until technological advancements result in equipment capable of fulfilling our customers' needs with significantly lower or zero carbon emissions, which will enable us to reduce emissions significantly in the longer-term.

HOW WE MONITOR OUR WORK

The Group's Board of directors is responsible for monitoring the progress we make against our strategic ESG objectives and the targets we have set. The Board is assisted in this function by the Group Risk Committee which is chaired by Michael Pratt, our chief financial officer. Included on the Group Risk Committee is the Group's managing director of ESG.

For further information on the Group Risk Committee, its members and priorities in current and forthcoming years, please see pages 34 and 35.





Matt Jackson District Manager

Matt Jackson is a District Manager for our General Tool division and has been with us for over 16 years. He is the new President of our DEI Task Force which he says, "represents our organisation's commitment to support and respect both team members and customers. Sunbelt is becoming more innovative in our way of thinking and fostering connections within our communities in ways we have never done before, and it's exciting to be a part of that change."

OUR PEOPLE











Health and safety is the backbone of our business and culture. COVID-19 highlighted that more than ever. 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 more efficient to outsource responsibility for equipment safety to us than for customers to manage it themselves. This has been one important factor in the shift to rental that has underpinned our growth in North America and which has reinforced our position in the UK.

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. This continuous improvement includes a focus on the importance of mental health in the overall well being of our people. 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 and 'near misses' 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 36).

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. The tracking and reporting of 'near misses' is an area we are looking to improve as the lessons learnt are as instructive or often more so, than from actual incidents.

This year the US had 1,326 reported incidents relative to an average workforce of 14,934 (2021: 1,459 incidents relative to an average workforce of 13,526), Canada had 223 incidents relative to an average workforce of 1,575 (2021: 239 incidents relative to an average workforce of 1,409) and the UK had 193 incidents relative to an average workforce of 3,947 (2021: 192 incidents relative to an average workforce of 3,724). 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 more timely reporting of every incident or first aid event that occurs.

Reportable accidents continue to be defined differently in the US, Canada and the UK. In the US and Canada, reportable accidents are reported in accordance with OSHA (Occupational Safety and Health Administration) whereas in the UK, reportable accidents are reported in accordance with RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Under the different definitions, more accidents are generally identified in the US as being reportable than in the UK. In order to compare accident rates across the Group, the US and Canada also applied the RIDDOR definition to its accident population.

We remain committed to reducing these rates as much as possible and continue to see progress across the businesses. We are delighted to report that our incident rate improved last year in all geographies.

SAFETY INITIATIVES

COVID-19 tested our excellent health and safety reputation and reinforced it massively. Operationally, we changed the way we work to ensure our team members remained protected, while continuing to work across our store network, ensuring we met the needs of our customers and communities. What remains relevant in a post-pandemic environment, we will continue to do.

We recognise that everyone must take responsibility for their own safety and the safety of others. In North America we continued to develop our Engage for Life programme which is built on three pillars: culture; community; and commitment. We are focused on building a culture that eliminates serious injuries or fatalities ('SIFs'), aligns our best practices, and ensures we all have the right skills to complete work safely.

01 RECORDABLE ACCIDENTS

		2022		2021	
		OSHA	RIDDOR	OSHA	RIDDOR
US	Recordable accidents	190	74	194	114
	Incident rate	0.90	0.17	1.07	0.31
Canada	Recordable accidents	25	5	29	8
	Incident rate	1.49	0.15	2.12	0.29
UK	Recordable accidents	n/a	18	n/a	21
	Incident rate	n/a	0.22	n/a	0.27



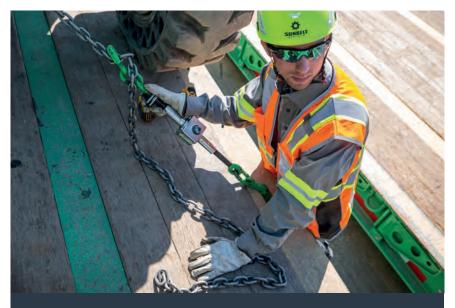
An important component of Engage for Life is that we demonstrate the dedication to the well being of our team members, their families and communities, while supporting and encouraging team members' safety development. We were recognised by the Board of Certified Safety Professionals ('BCSP') as an Emerald Class Certification Sponsor, for supporting our team members in achieving safety certification, with over 50 team members having completed the programme.

We have core safety processes across all our stores. In North America these include:

- the 'near miss' programme, which provides insights into our exposures across our businesses;
- the pre-task planning programme (Take 10 Programme), which 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 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, which ensures all stores hold safety meetings and engage in topics such as 'near miss' reporting, being more observant in looking for exposures, corrective action closure, etc.; and
- Regional Safety Managers present in our business, who engage on a daily basis with team members. Their role includes truck inspections, facility assessments, training and listening to feedback from our people during our Wellness Visits.

In addition, the US senior leadership team's weekly safety meetings provide focus towards developing solutions that can be replicated across the Group. We hold annual safety weeks designed to increase awareness of the importance of safety across the business.





HEALTH, SAFETY AND ENVIRONMENT WEEK

This year we held our first joint Health, Safety and Environment week for North America and the UK. The theme was Ready to Go and was designed around the theme of getting our teams 'ready to go' every day at work.

Each day we highlighted a different safety topic supporting the theme. These included: Power Up, a new initiative to get our bodies and minds ready for work each morning with a focus on movement and dynamic stretching; how our safety councils work to engage our teams and ultimately drive safety improvements; a refresher on what ESG means to our business and how it fits into our strategy; a piece on wellness, in particular fatigue, how quality sleep can prevent errors, breathing, and the importance of powering down at the end of each day; finally, we reflected on two years of our Engage for Life programme and how we are performing.

Similar safety processes operate in the UK. We run the Work Safe Home Safe campaign to ensure staff also take responsibility for their own safety and Sunbelt UK managers undertake the five-day IOSH ('Institution of Occupational Safety and Health') Managing Safely course. The UK is leading the way with its Let's Talk Mental Health programme discussed further on page 63.

Other safety initiatives include:

- in the US we continued our programme to provide safety knowledge and skills at our stores specifically for our Safety Coordinators and Branch Managers.
 We prepare our store leaders to take an examination to become Safety Trained Supervisors ('STS'). Our goal is to have at least one STS at each and every one of our stores;
- we continued installing cameras in our delivery and service vehicles – a programme we call RITA, or Road Intelligence Transportation Assistant. RITA assists our drivers with real-time feedback on behaviours that could lead

- to vehicle incidents. It also provides an opportunity to reinforce positive actions and recognise our drivers for a job well done; and
- in the UK, we continue to highlight the importance of thinking 'ACE' – Awareness, Communication, Exclusion zone – during our health, safety and environment week, demonstrating that by simply being aware of the environment, communicating with teammates or pedestrians and creating a safe exclusion zone, accidents can be avoided.

RESPONSIBLE BUSINESS REPORT CONTINUED

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.

In the US we are also 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 unwavering in our commitment to continuously improve our safety culture and send each employee home safe each day.

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 are 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.

We continue to target ways to reduce our motor vehicle incident rate. Our driver safety programmes take data from our onboard telematics units and communicates it directly to our motor vehicle compliance team with results shared with 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, drivers participate in online risk assessments that identify safe and unsafe behaviours through interactive driving modules. By identifying the risk profiles of our drivers, we are 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 also use an electronic pre-trip inspection that is conducted on the driver's phone. We also train our drivers in defensive driving.

In the UK, 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, including delivery drivers and fitters, are required to undertake the Driver Induction Course, which is delivered in the form of workshops and covers transport procedures, legislation, hazard perception and practical driver assessments.

We drive over 285m miles each year, so giving our drivers the solid training on defensive driving principles is critical to having safe outcomes on the road.

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, we have dedicated mobile elevated work platform, forklift and earth moving operator trainers who train customers and we offer customised training programmes to fill their needs. We work with customers' safety teams to develop customised training courses, sometimes for a specific jobsite and participate 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 now offer dedicated full-time safety trainers for our customers in 75 markets across North America and have 18 accredited training centres in the UK.

Our customer training covers a broad range of topics including:

Operator training

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

Train the trainer

- Mobile elevating 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

In addition to the above, we offer a range of other training including:

- working at height safely;
- traffic control management;
- working safely in confined spaces;
- laser scanning and survey equipment;
- propane handling; and
- lock-out, tag-out



VEHICLE TECHNOLOGY SUPPORTING SAFETY

We continue to equip all new Class 8 trucks in North America with collision mitigation technology often available in personal vehicles. A Class 8 truck is a vehicle with a gross weight vehicle rating exceeding 33,000 lbs. In our fleet, these include HGVs, or tractor-trailers, as well as some rollback vehicles. The safety system is designed to try and prevent a collision or decrease its severity in the moments before it occurs, using a forward collision warning system, adaptive cruise control, lane departure warning system and/or an automatic braking system.



LABOUR MANAGEMENT

We know that a skilled and committed workforce is fundamental to our success. Our labour management policies are designed to ensure we take the very best care of our people. As we grow, we add employees both through direct recruitment and 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 to ensure new team members are engaged with the business and the Group benefits from their experience and dedication. 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 business and how they fit into our strategy for the future. We then demonstrate further 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.

In the past year we have done extensive work on making Sunbelt a more flexible organisation in which to work, which is a huge cultural shift. Part of this is driven by our DEI work because we know that to attract and keep a more diverse workforce, we need to offer more flexibility in how people can work. For example, the pandemic has made people think about work (and life) differently and has resulted in more people seeking a different balance and wanting flexibility in where they work. We are now much more focused on finding solutions that work for everyone involved: the manager; the team member; and the customer.



Karl Reid Driver

Karl Reid joined Sunbelt as an HGV driver in 2021 with several years' experience in plant and powered access. Sunbelt has helped him acquire his Class 1 Licence and lorry loader HIAB qualification. He drives a 44-tonne low loader and has become familiar with sites for HS2, Tideway and National Grid locations in and around Greater London, getting to know the staff and helping them as much as possible. He says, "No two days are the same but for everything to run smoothly you need to have a great team behind you. You need good engineers back at the store, good route planners and good management. Driving around London can be really difficult so working closely with planners is a must and both sides have to communicate and be willing to listen. Working as a team, we can take it in our stride and find a way to get the job done to keep the wheels turning."

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. Employees' welfare and job satisfaction are enormously important and we invest significant money and time in facilitating career development and evolving training to reflect the changing needs of our workforce.

For our largest group of employees, skilled trades, we have two main approaches to develop talent, career pathing and career progression. Career pathing is about providing employees with a clear promotion pathway within the business. For example, for a driver or technician to become a store manager, we have a career pathway with associated training courses that provide the skills needed for the next step on that particular career pathway. With this option, an ambitious employee can see the route they need to take to develop their career towards a more senior, management role.

For those that want to progress within their specific job area, we offer career progression. Within our skilled trades employee group, this provides a clear progress path that will enhance an employee's skills, ability and experience within their trade or job role. For example, technicians can achieve four skill levels, with each level requiring progressively more in-depth and expert skill and knowledge. To pass from one level to the next, the employee has to pass an evaluation that shows their skills match the next step on the ladder.

For leaders in our store network and other leaders in our central operations, we offer a range of leadership or senior leadership training. These courses ensure our leaders are equipped with the skills to deliver on our business strategy. These include inclusive leadership, coaching, performance and financial management, training skills, and customer experience.

RESPONSIBLE BUSINESS REPORT CONTINUED

In North America, our career development and training initiatives include:

- a technician-in-training programme;
- a paid technician Co-Op programme for trade school students approaching graduation:
- employee surveys;
- the Jumpstart Sales programme;
- the Jumpstart Manager In Training programme;
- an intern programme both in stores and at the support office;
- a leadership curriculum for all store managers;
- an Executive Leadership Development programme; and
- a Learning Management System ('LMS') that delivers, tracks and manages all our training online.

In the UK we held over 13,000 employee training days last year through a wide range of courses. In order to identify training needs when recruiting, we have 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 skillgaps are filled through training. Through this process we can be sure of developing the skills and qualifying the experience of our workforce. In addition, we have implemented a leadership development programme across the UK to support the development of leaders in our business and implemented a 'grow coaching' programme for all store managers to ensure they are equipped with the skills to coach and mentor staff within the business.

To evaluate the effectiveness of our training, we issue all delegates with feedback forms and these are evaluated and actioned as required.

REWARD AND BENEFITS

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 Sunbelt UK employees are paid the Living Wage (as recommended by The Living Wage Foundation) and Sunbelt UK is an accredited Living Wage Employer. In North America we adopted a Leading Wage to ensure all employees are paid an hourly rate in excess of the state and federal recommended rates.

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. In the US we offer robust and comprehensive medical coverage and, despite the growing costs of healthcare, member contribution rates were not increased. 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. Our retirement plans are well received with a 96% enrolment rate in our US 401(k) plan, 87% enrolment rate in Canada and 94% of UK employees participating in the pension plan. 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 and the drivers of performance for the business,

INTRODUCTION OF PAID PARENTAL LEAVE IN THE US

While the US lags the UK on parental leave, we are a leader in the US rental industry in this area. We launched a Paid Parental Leave (PPL) benefit to US team members beginning January 2022. This policy applies to either parent and is in effect any time during the first year for births, adoptions, or placements of faster children.

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 to promote good health amongst our employees. In the UK we have a flexible holiday arrangement enabling employees to purchase additional holiday entitlement or sell unused or unwanted holiday 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.

STAFF TURNOVER

We endeavour to hire the best people, train them well and look after them so 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 33).

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 find increasingly our staff targeted by competitors which, whilst a compliment, means we have to work harder to retain them.

In North America, our voluntary staff turnover is 18% [total staff turnover is 22%] with c. 70% of this turnover arising from people with less than two years' service. Although staff turnover is slightly higher in the UK, the overall picture is similar. Voluntary staff turnover is 22% [total staff turnover is 25%] and over half of voluntary staff turnover arises from people with less than two years' experience.

SUNBELT UNIVERSITY

Last year we implemented a new learning management system for Sunbelt University to offer a better learner experience for all colleagues including:

- A mobile-only platform
- Over 10,000 courses available for various audiences
- Paperless hands-on evaluations for equipment certifications
- Improved visibility for compliance with regulatory and required training
- Improved training technology to transform how learning is delivered at Sunbelt
- Improved ease of finding training applicable to jobs
- Increased efficiency by integrating all of our North America operations into a single platform, with planned expansion to include Sunbelt UK.



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. We 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.

EMPLOYEE SATISFACTION

Getting ongoing feedback on how our staff are feeling and then making any changes necessary, is crucial to maintaining a happy and fulfilled workforce. We pride ourselves on having a strong culture, with a strong sense of purpose amongst our team members who take their responsibilities to assist customers and communities seriously. There is also a strong sense of pride in a job well done such as when we are helping people get back to normal after a natural disaster. We now hold annual North American-wide and UK employee surveys which have received excellent levels of response. We have been delighted with the results so far, which show a high degree of employee satisfaction even given the very difficult circumstances our staff were having to deal with both personally and at work.



In North America, our first Express Yourself Survey received a remarkable 88% participation rate with an 89% engagement score. The second one is ongoing. In the UK, participation in this year's survey was 81% with an 83% engagement rating. Key findings were again that the majority of team members reported a sense of pride, would recommend Sunbelt to family, that their managers care about safety and that they trust their manager to do a good job. We analyse all the results from the survey and take action accordingly. We plan to associate all action taken specifically with the survey to reinforce that we have listened and are taking action directly as a result of staff feedback.



DIVERSITY

This year saw huge progress in this area. We are committed to ensuring that our workforce reflects the communities in which we live and work, and providing equal opportunities for all our staff is a priority. Our recruitment comes predominantly from the areas immediately around our facilities, thereby providing opportunities for local people and a positive impact on their community.



DIVERSITY, EQUITY AND INCLUSION IN THE US It has been a busy first year for our DEI Task Force which has been meeting regularly, with senior management also travelling around North America to communicate directly with the wider team about our DEI aspirations.

We are creating an ongoing feedback loop to ensure that we are analysing what the business needs and wants, creating the framework to deliver that and communicating back to the business what we are putting in place. Members of the Task Force were part of the Senior Leadership meeting in April 2022 talking particularly about what DEI advocacy means within the business. We are opening up discussions, creating training materials, sharing personal advocacy stories from staff and making real cultural change. We have also expanded our recruitment team by adding a director of talent acquisition focused on attracting diverse candidates. Our new women's group, WISE, ['Women, Inspired, Supported, Empowered'] is also supporting women across the organisation and helping to identify ways in which we can attract more women into our workforce, specifically within operational roles across the business.

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.

Our Diversity, Equity and Inclusion
Task Force in North America draws from a diverse group of 14 team members across the organisation and is designing and implementing a new diversity, equity and inclusion strategy. We had over 300 applicants for this important initiative which reflects our collective desire for a more engaged and empowered workplace when it comes to diversity, equity and inclusion.



In the UK, we have a similar group as part of 'Let's Talk Belonging' with Equality, Diversity and Inclusion Ambassadors from across the UK taking part in forums to explore the concept of 'belonging' and what this means on a day-to-day basis. Subsequent to this, we have engaged with an external third party in order to carry out a full assessment on our approach to equality, diversity and inclusion. We are taking our diversity and inclusion drive outside the business also, with participation at job fairs at community colleges, supported by our social value ambassadors.

In the US we are required by law to monitor ethnicity in our workforce and we maintain a diverse workforce with 31% of the US workforce identifying themselves as being non-white. We also gather ethnicity data as part of the recruitment process in the UK and monitor our diversity. 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. We are also working to increase gender diversity at all levels of the business. However, our workforce as a whole reflects the nature of our business, the industry in which we operate and the markets we serve with just 12% of the Group's workforce being female. A significant proportion of our workforce are fitter engineers and HGV



INCLUSION IN THE CANADIAN FILM AND TELEVISION INDUSTRY

Our lighting, grip and lens business in Canada has long been an advocate and partner with POV Film, an organisation that partners with talented youth to champion diversity, equity and inclusion in the content production industries, by increasing access to skills training, job placements, mentorship, and professional development opportunities. Through in-kind donation of space, equipment, and resources, we are helping provide valuable opportunities to talented young people, as well as building a stronger, more diverse film industry workforce across Canada.

We also work extensively with WIFT ('Women in Film and Television') providing a week-long immersive mentoring programme for production managers, providing insight and hands-on knowledge of our niche industry. For production managers, practical knowledge of equipment is invaluable.

drivers, virtually all of whom have been male historically. Therefore, while across our workforce we seek to promote increasing proportions of women in the business, and we have seen success in some areas of our business such as within professional functions, sales and customer service, we recognise that some roles will continue to attract fewer women.

Nevertheless, whilst our industry has traditionally had many more men than women, we do have women at all levels of the Group, from the Board to store level. While four members of our Board (44%)

are female and we have women on our senior management teams and as store managers and sales executives, we realise we have work to do to increase the number of women throughout the business.

We will continue to prioritise recruiting the best people for every role and are working to make it easier for more women to join the organisation, particularly as we expand. We believe that in doing so, we will move towards achieving a greater level of women's representation across our company at all levels starting from the grass roots of our organisation.

02 WORKFORCE BY GENDER

	Male	Female	Female %
Board directors	5	4	44%
Senior management	30	8	21%
All staff	19,199	2,560	12%

03 PAY GAP

	Pay gap
US	5%
UK	1%
Canada	8%

We are also encouraging greater gender diversity and seeing success through our apprenticeship programme in the UK. Over time, we believe that this will broaden the representation of women within our workforce at all levels as they progress through the organisation. This will however take a number of years to have an impact.

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 in Table 03 on page 62 is the amount by which average pay for men exceeds that for women.

EMPLOYEE WELL BEING

We believe in treating our staff well and rewarding them for the effort they put in on our behalf. It is crucial that our workforce is a healthy one, both physically and mentally, 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. We are also there to help when they find themselves in difficulties. At no time were our efforts in this area more apparent than during the pandemic when we prioritised our employees' well being at all times.

In North America, the Sunbelt Rentals Employee Relief Fund was created to support employees who are facing financial hardships after a natural disaster or other life-changing events. The Fund was initially established to help the victims of Hurricane Charley in 2004 and is now a part of our long-term strategy to assist team members through catastrophic financial hardships. Any employee of Sunbelt is eligible to receive relief from this fund for the benefit of themselves or their immediate family members living in their household.

In the UK our 'Let's Talk' well being programme started with 'Let's Talk Mental Health' volunteers completing a two-day professional Mental Health First Aider course ('MHFA England') and we plan to train more staff in this important area.



Lisa Biase Store Manager

Lisa Biase is the manager at one of our largest stores in Canada and is a passionate leader and advocate for women in the construction industry. Lisa's aim for the women she leads is to provide an environment where they feel confident and supported. She supports more tools and resources to become readily available to promote an inclusive environment for women within the construction industry. Lisa's advice to women interested in seeking a career in construction is to "ask questions, set boundaries, and empower each other." She also encourages her co-workers to connect with other female leaders to develop a support system.

LET'S TALK MENTAL HEALTH WELL BEING PROGRAMME

The Let's Talk Mental Health programme aims to remove the stigma surrounding mental health issues and create an environment where everyone feels they can talk openly with one of our trained mental health first aiders if they need to.

The UK business has more than 50 trained mental health first aiders who are available to any employee to talk about how they feel or issues that might be causing them worry or distress. Alongside our first aiders, the programme raises awareness of mental health issues widely among our workforce and is delivering mental health awareness training for line managers to support their knowledge and skills. More than 150 line managers have received mental health awareness training and we expect all line managers to have completed the training by the end of 2022.



ENVIRONMENT

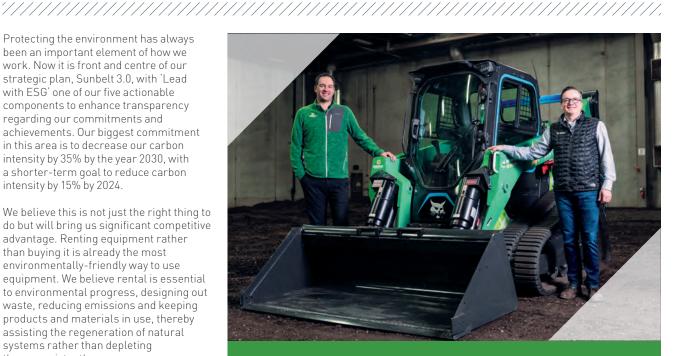


Protecting the environment has always been an important element of how we work. Now it is front and centre of our strategic plan, Sunbelt 3.0, with 'Lead with ESG one of our five actionable components to enhance transparency regarding our commitments and achievements. Our biggest commitment in this area is to decrease our carbon intensity by 35% by the year 2030, with a shorter-term goal to reduce carbon intensity by 15% by 2024.

We believe this is not just the right thing to do but will bring us significant competitive advantage. Renting equipment rather than buying it is already the most environmentally-friendly way to use equipment. We believe rental is essential to environmental progress, designing out waste, reducing emissions and keeping products and materials in use, thereby assisting the regeneration of natural systems rather than depleting them consistently.

We are committed to providing the very latest, low and even zero carbon emission equipment available. We also increasingly help our customers work in more environmentally-friendly ways. We already offer the most comprehensive range of green equipment available in the market but we are committed to working closely with all our suppliers to help them develop the most environmentally sustainable equipment that we can then buy. Around 20% of our rental fleet is powered by alternatives to traditional diesel power, including battery, electric and hybrid options.

The large majority of our diesel-powered fleet also meets the most stringent North American and European emissions requirements. However, we are not content with simply being a buyer of next generation equipment; we want to influence and support our larger suppliers to accelerate the shift to a low-carbon economy. So, we work closely with them to help them design, develop, trial and bring to market innovative, environmentally-sustainable equipment, including electric versions of the most widely-used pieces of rental equipment.



CHNOLOGY FOR R CUSTOMERS: **ELECTRIFYING** AN ICON

- the loader needs only one litre of eco-friendly coolant compared to around 230 litres of fluids for the diesel/hydraulic model, reducing costs.

We are in a good position to influence how new products are developed and used through our relationship with customers and manufacturers. We are therefore in an ideal position both to understand customer demand for greener equipment and support manufacturers to meet these needs with their product development. At the same time, our desire to invest in new and greener technology demonstrates to manufacturers there is demand for their new products. Finally, by bringing new products to a wide audience of customers in the rental market we help develop acceptance of new equipment and drive further demand.

Recent examples of our investment in greener equipment include:

- buying 100 (two-thirds of the first year's production) of the newly-launched electric Bobcat compact track loader in North America and investing in 30% of all Wacker Neuson electric four-wheel drive dumpers in the UK, ensuring high levels of rental penetration and use for these new products;
- in the UK, ordering £65m of the latest JCB equipment, 92% of which is either electric or hybrid powered or meets the latest emissions standards for combustion engines; and
- working with, and investing in, innovative start-up manufacturers in the areas of portable battery power, and battery design and packaging.

Focusing on environmental impact helps our staff feel good about where they work and helps to build good relationships with the communities around our stores. We are, and intend to continue, leading the rental industry through innovation in this area.



Like any other business, climate change has the potential to impact ours, both positively and negatively. For example, adverse weather events or natural disasters could negatively affect economies and disrupt our business day-to-day but also increase the demand for our services as we respond to the needs of our communities in recovering from such events. Our climate change focus is on our impact on the environment and we can reduce it through lower carbon emissions, waste and water usage.

Our commitment to improving energy performance and reduce carbon emissions is intended to reduce our impact on the environment and should also deliver significant long-term cost savings. We can do this through managing our own performance and enabling that of our customers.

We monitor our energy performance by looking at the management of:

- fuel usage;
- electric and gas usage;
- fleet telematics; and
- driver training.

We provide more environmentally-friendly equipment when possible such as:

- electric equipment;
- eco accommodation units;
- eco lighting;
- battery powered products; and
- hybrid generators.

GREENHOUSE GAS EMISSIONS

As we are a growing business with ambitious expansion plans, our absolute greenhouse gas ('GHG') emissions will necessarily increase in the near-term. However, we continue to evaluate how best we can limit that increase and mitigate the impact. As mentioned on page 64, we are committed to a significant reduction in our carbon intensity.

Our Scope 1 (fuel combustion and operation of facilities) and 2 (purchased electricity) GHG emissions are reported in Table 04 below, together with details of the energy consumption used to calculate those emissions.

In order to calculate the GHG emissions and total energy consumption in mWh, 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 2020, as well as the US Environmental Protection Agency. Emissions have been measured using a 'market-based method'.

In the UK, we collect data from all Scope 1 and 2 suppliers and hence, there is no estimation involved. In the current year, the UK's Scope 2 (purchased electricity) emissions have reduced as a result of sourcing electricity from renewable sources which are REGO (renewable energy quarantees of origin) backed. As a result, Scope 2 emissions have been largely eliminated during 2021/22 with the remaining emissions relating to a small number of locations where energy is sourced through a third party. In the US and Canada, 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 2022, approximately 8% of the North American emissions balance was estimated. Emissions from the Group's lighting, grip and lens business in Canada are not included. We believe that these emissions are immaterial to the Group's overall carbon emissions and we are working to collect this data going forward.

Historically we have not reported Scope 3 emissions due to the difficulty in gathering accurate and reliable information. We are working to quantify our Scope 3 emissions so we can monitor these and report on them in the future. The majority of these arise through our customers' use of our equipment on their sites and projects, emissions from the use of sold rental equipment subsequent to our ownership and the embedded carbon in our supply chain. Consequently, they are based on broad assumptions which are inherently difficult to validate. Accordingly, our Scope 3 emissions will always be subject to a significant degree of estimation uncertainty.

04 GREENHOUSE GAS EMISSIONS

		2022		2021	
		UK	Total	UK	Total
Scope 1	tCO ₂ e/year*	30,099	302,843	30,610	288,438
Scope 2	tCO₂e/year*	357	26,977	2,409	30,532
Total	tCO2e/year*	30,456	329,820	33,019	318,970
Energy consumption used					
to calculate emissions	mWh	131,148	1,317,129	139,912	1,266,179

^{*} $tCO_2e/year$ defined as tonnes of CO_2 equivalent per year.

RESPONSIBLE BUSINESS REPORT CONTINUED

While we are focused on reducing our carbon emissions, they are likely to increase as we grow over the mediumterm until technological advancements and increased manufacturing capacity reduce reliance on the diesel engine. Thus, at this stage, our key performance metric is carbon intensity as we look to mitigate our environmental impact. Our level of GHG emissions vary with our activity levels which are reflected in our revenue levels. Accordingly, we have concluded that the most appropriate intensity ratio for Ashtead is revenue intensity. Our intensity metric is therefore carbon emissions per million dollars of revenue ($tCO_2e/$m$).

	2022	2021
Carbon intensity ratio		
– emissions per \$m of		
revenue (tCO ₂ e/\$m)	42.2	48.8

On a constant currency basis (using this year's exchange rates) our intensity ratio has reduced from 48.5 to 42.2.



We are focused on reducing waste to landfill and the amount of water we use.

Our business model necessarily promotes less waste overall going to landfill because we are renting the same piece of equipment to many customers and maintaining it to such an extent that it has a long product life. If each of our customers were buying all the equipment they need, perhaps using it only a few times and then disposing of it, then there would be considerably more equipment going to waste than with a rental model. We are working proactively with our supply chain to increase the amount of recycling of our equipment that can be done to avoid even obsolete equipment going to landfill.

We are actively pursuing programmes to reduce the volume of the waste we produce in all our territories. We are working with suppliers to reduce the packaging included with products we procure and are partnering with suppliers to develop takeback programmes for equipment packaging and protective materials. We offer recycling at our owned rental sites, partnering with suppliers to enhance the recyclability of products.

We monitor and manage our water consumption, working to ensure that process water is collected (and treated as required) and disposed of appropriately. We have introduced water mapping and have identified 20% of our locations as being in water-stressed areas, specifically those in California and the south-west and central states of the US. We will be introducing technology to help reduce water use in these areas.



Unlike many other companies, climate change represents more of an opportunity than a risk for Ashtead, which will also bring us significant competitive advantage. There are two main factors contributing to this opportunity.

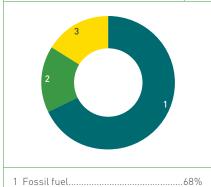
Firstly, as regulations change requiring greater use of lower carbon technologies, companies will voluntarily choose to use more environmentally-friendly equipment. However, as we see today, emerging technology is more complicated and expensive, at least initially, than existing technology. As a consequence, it will be more efficient for companies to rent that equipment from us rather than buying it themselves. So climate change will provide additional impetus to the shift from ownership to rental that we talk about often in this report.

Secondly, the more extreme weather events associated with climate change lead to the kind of damage that requires a rapid response and clean-up operations in which we are highly experienced. Our disaster response capability is one of the specialty areas in which we truly excel and are well known. While not linked directly to climate change, our disaster relief capabilities were immediately called upon to assist with management of the COVID-19 pandemic in the US, Canada and the UK, even under lockdown across all territories.

FLEET COMPOSITION

Every year we invest millions of dollars in new equipment and fleet which produces less carbon, less particulate matter and needs less maintenance and servicing. We work closely with our suppliers to develop the next generation of equipment, constantly innovating, trialling and improving on today's technology. Consideration of maintenance and servicing requirements as well as what happens at the end of a product's useful life are a key part of this process, as we believe that true sustainability needs to consider a holistic, whole life cycle approach.

GROUP FLEET COMPOSITION



1	Fossil fuel68%
2	Electric
3	Other, inc. non-powered16%

The chart above shows the composition of our fleet today, with approximately one third of our assets comprising of nonfossil fuel powered assets. These include electric or solar powered assets, such as electric scissor lifts and tower lights, as well as non-powered assets. We expect this to increase going forward as alternative technologies become available. Even today, our third largest category of fleet is electric scissor lifts.

ALTERNATIVE FUELS

We are building partnerships with suppliers to introduce alternative energy and fuel solutions for our customers. HVO (hydrotreated vegetable oil) fuel is manufactured from 100% renewable and sustainable waste, ethically sourced and derived from raw materials. HVO is a 'drop in' fuel that can replace diesel with no changes required to the engine or operational infrastructure. It is legal for road and non-road use and offers significant reductions in noxious tail pipe emissions. We launched this alternative fuel to our UK customers hiring equipment with combustion engines, which would normally have burnt fossil-fuel-based red diesel. HVO has been proven to create a 90% reduction in net carbon emissions (CO_2e) on-site. Several of our UK national customers have already made the switch.

COMPANY VEHICLES

Driving over 285m 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 are important. Additional vehicle efficiency steps taken include the use of:

 telematics on vehicles to monitor engine idling and driving efficiency;

- a telematics dashboard to enable tracking of fuel usage and CO₂ emissions by location and individual asset, enabling better operational and cost saving decisions;
- 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
- reducing tailpipe emissions.

We continue to make fleet efficiency gains. The Fleet Operator Recognition Scheme ('FORS') is an accreditation scheme that aims to improve vehicle fleet activity throughout the UK. The overarching scheme encompasses all aspects of safety, fuel efficiency, economical operation and vehicle emissions, with the UK having successfully retained its Gold status for the sixth year running covering 145 of its depots.



Our strategy is to operate an environmentally responsible transport and logistic fleet:

- we offer eco-site solutions and co-located on-site facilities, to keep equipment and expertise as close to projects as possible, minimising trips to and from our depots to replenish plant and equipment;
- within three years we will convert all new orders for light duty fleet to nearly 100% environmentally responsible vehicles in the US; and
- our planned transport replacement plan will ensure that the entire UK fleet is Euro 6 compliant by mid-2022.

We are working hard to change as many of our company vehicles to 'green' vehicles as possible, linked to our overall carbon intensity target.



TRANSITION OF VEHICLE FLEET

More than 80% of our carbon footprint comes from our vehicle fleet. To tackle this, we are making a range of investments in our delivery and other vehicles. This investment includes the purchase of vehicles but also an investment in the charging infrastructure at our depots and at our employees' homes.

For example in the US, we ordered 700 all-electric F-150 Lightning pickup trucks for our on-road and rental fleet. This will account for a significant proportion of our F-150 fleet. In addition, we have ordered 10 Class 8 HGVs which we will pilot as part of our fleet during 2022/23. This is the first step in trialling and aiding the commercial development of this technology.

In the UK, we are also making investments in electric vehicles, including the purchase of new London EV Company vehicles as part of our delivery fleet.

OUR COMMUNITIES







Playing a big role in our local communities is crucial in all our markets and massively important to our sense of purpose as an organisation. As we expand our market share, particularly in the US and Canada, we have ever more impact and influence, enhancing the communities in which we operate, through employment, opportunity and community involvement. Our responsibility to these communities increases as we grow. It is crucial to us that we recruit locally when we can, including young people, long-term unemployed and veterans. We believe the skills and discipline gained through military service translates well into our work environment.



Working with local charities is very important to us. We also have a huge impact on both our own communities and those further afield through our disaster relief work with communities in distress from a wide range of factors. We are a first responder when it comes to natural disasters, restoring communities and conducting massive clean-up operations after storms and floods, for example.

In the UK we have a designated Social Impact team that is working with customers as well as staff to support social value initiatives. We are using the UK National TOMS ('Themes, Outcomes, Measures') framework to measure our efforts against a minimum reporting standard for social value. We aim to eventually use this framework to guide and measure our social impact group-wide.

We are also working with community colleges to increase our recruitment from those, as well as with organisations working to improve the lives of people in difficulty, for example the homeless in the UK, as well as young people at risk of drugs and violence, to demonstrate and provide an alternative way of life.



DAMAR CHILDREN'S HOME

We like to get involved in community initiatives big and small. We support Damar in central Indiana, an organisation which serves 1,500 individuals with developmental disabilities and autism daily. We collected over 4,000 pairs of socks for the nearly 200 children at their residential campus. Many of these children arrive with minimal belongings or funding to cover necessities. We were also recognised for giving over \$25,000 in support last year to the young people's home.

OPERATION BBQ RELIEF

Armed with a caravan of cooks, mobile pits, kitchens and volunteers, Operation BBQ Relief delivers the healing power of BBQ in times of need, feeding first responders and communities affected by natural disasters along with year-round efforts to fight hunger. We have worked with them since 2015, providing free equipment, supporting their fundraisers, volunteering when needed and most recently providing training classes on how to use generators and forklifts, for example.



EMBASSY VILLAGE

The Embassy project is a unique programme which aims to turn around the fortunes of Manchester's homeless. Embassy Village will provide emergency shelter and support to vulnerable men across the region, providing a safe and secure home for the homeless or those at risk of being homeless. We are proud to have helped support the project through achieving official planning permission to providing various site surveys from our expert teams. The Village will be located under the city's railway arches at Castlefield and provide 40 new high-quality homes, each with their own front door. The Embassy team will manage the site 24/7 and work to reintegrate vulnerable people back into society by helping them to find work and a home of their own.



RECRUITMENT

With our continued 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 including:

- our US Co-Op programme which provides an entry point for trade school students to apply knowledge and skills learned in their programmes of study. Over the course of six months, participants perform specific job tasks while demonstrating the potential to join the team as a technician-intraining or technician upon graduation from their trade school;
- Manager In Training ('MIT') this programme identifies top talent out of college and the military and places them through an accelerated training programme; and
- our UK careers website allows
 prospective employees to apply online
 and enables us to manage 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.

WEAPONS DOWN GLOVES UP

Last year we launched an exciting new strategic partnership with Liverpool-based charity Weapons Down Gloves Up ('WDGU'). In just 12 months the charity created full-time employment with local companies for over 100 NEETs – those 'Not in Education, Employment or Training', aged 19–24, with a success rate of 100% staying in work. The charity uses the power of sport to take young people, including those leaving the care system, off the streets, away from the possibility of being groomed into drug trafficking and gang culture. It's free to take part and begins with a boxing programme supported by local pro boxing legends, where the young people are able to build trust with their responsible coaches. They then receive industry-specific training, where they learn about job opportunities and are offered support through the interview process to get into work and off benefits. We are fully committed to working with our customers to support this charity – helping to train more young people, so the team can achieve their ambition of finding sustainable employment for 1,000 young people by 2023. This is a superb way for us to have direct social impact as well as potentially sourcing new recruits to our apprenticeship programme.

UK APPRENTICESHIP PROGRAMME

The UK'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 29 trainees this year and we plan to recruit over 60 apprentices in the coming year. 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. Our apprentice scheme also has an impressive 85% completion rate compared to the industry rate of c. 60%.

MILITARY RECRUITMENT

Veterans make up an increasing proportion of our workforce and they are a group we are keen to attract and support in all our territories. In the US we are designated as a 'top-50' military-friendly employer, and we intend to be a true leader in veteran employment, having achieved a silver award in 2022, an achievement attained by only a small number of companies. From soldiers and sailors to airmen and marines, these veterans choose us because they believe in the way we do business. We leverage the Power of Sunbelt by using principles like teamwork, integrity, loyalty and respect to help our customers and our employees lead better lives. Our military recruitment campaigns include acknowledging veterans in our current workforce, expanding our work with the Gary Sinise Foundation and participating in media events, such as 'Military Makeover'. We have designated veteran recruiters, working with the military, to introduce potential veterans when they are still in the forces, and exploring what next, as well as when already retired. Our veterans group runs on four cultural pillars: resources; recruiting; recognition; and retention. When a new veteran joins the Company, an ambassador reaches out to welcome and introduce them to other veterans. With these combined efforts, we are determined to be the employer of choice for people leaving the military in the US.



Lucy O'Rourke Plant maintenance apprentice

Lucy O'Rourke joined us in 2019 as a plant maintenance apprentice at our Wilton International Depot as one of only two female apprentices in her sector. She decided sixth form college didn't suit her as she was happier working hands-on. She has already won Young Apprentice of the Year at the Hire Association Europe, Hire Awards of Excellence and the Judges Special Award at this year's Construction Plant Hire Association Stars of the Future Awards. She is now a fully fledged fitter and is beginning her NVQ Level 3 qualification in Plant Maintenance. She says, "It's not a man's world anymore. I want to show that women can work in this industry and that a plant mechanic role is not just for men."





Deacon Bumanglag Road Mechanic

Deacon Bumanglag is a road mechanic in California. Before joining Sunbelt, Deacon served in the Army for 15 years. While serving through multiple deployments, Deacon says he learned awareness, patience, respect, and "always be thankful for what you have." He joined the military initially to make a difference in his own life and the lives of his family. Making the switch to Sunbelt four years ago gave him a "chance at a better life and to be in a calmer environment." He calls the move a better choice for his family, allowing him to be there for them.

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. The veterans programme is led by an ex-Royal Navy serviceman. We are also a strategic partner of the veterans' charity Walking With The Wounded, helping injured veterans to find meaningful work after their service.



CHARITIES

GARY SINISE FOUNDATION

We are thrilled to enter the seventh year of our partnership with the Gary Sinise Foundation, which honours America's defenders, military veterans, first responders, their families and those in need. The Foundation does this through the creation and implementation of unique programmes designed to entertain, educate, inspire, strengthen and build communities.

Our partnership focuses on supporting the Gary Sinise Foundation's R.I.S.E. ('Restoring Independence, Supporting Empowerment'), First Responders Outreach and Snowball Express programmes. Through these efforts, the Foundation builds 100% mortgage-free specially adapted custom smart homes for severely wounded heroes and their families, serves the children of fallen military heroes and aids critical funding for emergency relief, training and essential equipment for America's firefighters, police departments and EMTs, respectively. In 2021 we expanded our partnership focus to include the foundation's Avalon Network, a cognitive



CUMBRIAN CHALLENGE

Much of our community engagement and charity work was curtailed during the pandemic. Last year we still managed to enter eight teams in the Cumbrian Challenge sponsored walk to raise £12,000 for Walking With The Wounded. We were delighted to be able to enter 15 teams to this year's event.

health and mental wellness network that provides transformative care to veterans and first responders experiencing post-traumatic stress, traumatic brain injuries and substance abuse.

We supply the necessary equipment for each of the R.I.S.E. programme's projects to the contractors working on the home builds, at no charge. We also donate a portion of rental proceeds from cobranded Gary Sinise Foundation equipment and organise various localised fundraising efforts. This year, we contributed more than \$0.9m in monetary and in-kind equipment donations to the Foundation. Our goal is to bring heightened awareness to the Foundation's work through continued fundraising and outreach initiatives in an effort to help positively impact the lives of veterans, defenders, and first responders. This year we launched a national fundraising sweepstake with the chance to win a Ford Bronco, to raise further funds and awareness.

AMERICAN RED CROSS

We continue to work closely with our designated charitable partners, the American Red Cross and its affiliates such as the Second Harvest Food Bank for which we have a food drive every November in the US. We allow employees to make payroll deductions to contribute to the American Red Cross or the Sunbelt Employee Relief Fund. On top of financial donations to the Red Cross, we send equipment and support to disasteraffected areas throughout the US to aid in relief efforts.

UK CHARITY PARTNERS

In the UK, we work regularly with a number of charities including The Prince's Trust, Teach First and CRASH. 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.

Teach First 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 Sunbelt volunteers across our business.

CRASH is the construction industry's charity that helps homelessness and hospice organisations with their construction projects. 2022 represents the 12th year we have been a patron of the charity, with our expertise and products helping a number of homelessness and hospice projects.



GOVERNANCE









BUSINESS ETHICS

Our commitment to the highest ethical standards means that the Group Risk Committee works to ensure these are communicated and upheld throughout the business. We believe in the rights of individuals and take our responsibilities to all our employees seriously and those who may be affected by our activities. During the year we updated the Group's modern slavery and human trafficking policy, business ethics and conduct policy and ethical sourcing policy, all of which are available on the Group's website. These policies form part of our way of doing business and are embedded in our operations. They are also communicated directly to employees through dedicated communication and training programmes. 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.

ETHICS TRAINING

Senior employees across the Group receive regular business ethics training to ensure they are aware of their obligations and responsibilities with regard to competing fairly, the UK Bribery Act and, in the US, the Foreign Corrupt Practices Act. This takes place every two years in North America with 2022/23 being a year of training, while in the UK, it is undertaken annually. Completion of training is monitored and reported to the Group's Risk Committee. Anti-corruption and bribery policies are maintained and reviewed on a regular basis with relevant guidance incorporated into our employee handbooks and available on our intranet pages.

WHISTLE-BLOWING

Our whistle-blowing arrangements allow employees, in confidence, to raise concerns about any alleged improprieties they may encounter. This arrangement is now outsourced to a third-party provider in both North America and the UK allowing both phone and web intake.

SUPPLY CHAIN

As part of our ongoing business ethics work, we are reviewing the sustainability and diversity of our supply chain and will continue to prioritise this where possible. Enquiries of suppliers are made when we enter into supplier relationships and refreshed on an ad hoc basis depending upon the level of business we undertake with any supplier.

In the UK, the Group entered into a three-year partnership in 2020/21 with the Slave-Free Alliance in order to strengthen further the actions taken in relation to the risks of modern slavery. We have worked with the Slave-Free Alliance on addressing the risk of modern slavery in our supply chain and have also reviewed our stores. They have identified our traffic management business as needing particular scrutiny to ensure there are no issues there. This is because we have the highest number of operatives coming through that area, making it more transient in nature than the rest of the business. The alliance has done some spot checks, audits and hands-on training

with our teams to make sure we are on top of this issue. We are assessing whether this partnership may be broadened to encompass the Group's businesses in North America.

CYBER SECURITY

As the world continues to move online, accelerated due to the pandemic and increasingly connected technologies, at least in the short to medium-term, awareness, monitoring and adaptability to cyber security issues is ever more crucial for us. We are prioritising the monitoring of any potential cyber security vulnerabilities and working to ensure business continuity under all potential scenarios. Last year we held our fourth annual Information Security Awareness Month, with the theme of "Data" Protection and You". While securing hardware is an important facet of information security, protecting the data on our assets is critical to our success. We launched encrypted email for all team members and a new Information Security SharePoint site is also now available for all team members. For more on cyber security risk, see page 36.

BEING A RESPONSIBLE BUSINESS

Our strategic plan, Sunbelt 3.0, has enabled us to embed responsibility within our strategy, with 'Lead with ESG' being one of the five actionable components of that strategic plan. By doing so, we will embrace responsible sustainability and success for our people, our customers, our communities and our investors; while unlocking the structural benefits that ESG will bring to rental across the Group.

As we have discussed earlier, we believe that rental is essential to environmental progress as it enables a more efficient use of assets across organisations. Within this report, we have set out some of our specific actions across each area of ESG. These examples are only a few of many ongoing activities across the Group and we will continue to challenge ourselves through investing in new ways of doing things, innovative use of technology and through working with our suppliers, customers and employees to develop new solutions.

These initiatives provide us with the confidence to lead with ESG through:

- ensuring a commitment to health and safety;
- enhancing our employee engagement and diversity, equity and inclusion;
- ensuring pay and benefits reflect our market-leading position;
- reducing our carbon intensity by 35% by 2030; and
- ensuring continued strong governance and stakeholder engagement.

This is the right thing to do for our stakeholders and will ensure the long-term sustainable success of the Group.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force on Climate-related Financial Disclosures ('TCFD') provides a disclosure framework for companies to explain how they are responding to the risks and opportunities arising from climate change. UK Listing Rules require premium listed companies to make disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures and, where they have not complied, provide an explanation including details of the steps being taken to ensure future compliance. Responding to the risks and opportunities arising from climate change is an integral part of our business and is embedded throughout the Group and discussed throughout this Annual Report. The statement below explains how the Group has complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. It addresses all the disclosure requirements of the TCFD and links to additional information located elsewhere within the Annual Report.

GOVERNANCE

The Group's Board of directors is responsible for setting the Group's strategy, taking into account all relevant risks and opportunities, including those related to climate matters. The Group's rigorous risk management framework is designed to identify and assess the likelihood and consequences of risks and to manage the actions necessary to mitigate their impact, including those related to climate-related matters, and is detailed on pages 34 and 35.

The Group launched its latest strategic growth plan, Sunbelt 3.0, in April 2021 which included 'Lead with ESG' as a core actionable component, which incorporates climate-related considerations, including our commitment to reduce our Scope 1 and 2 carbon intensity. Further details as to how climate-related considerations are incorporated into the strategy are on page 28 and in our Responsible business report on page 65. The Board receives updates at each board meeting as to the Group's progress against our strategic goals, with a formal strategic review undertaken on an annual basis. In addition, ESG metrics have been embedded in the Group's remuneration arrangements through the Strategic Plan Award, launched in conjunction with Sunbelt 3.0, and overseen by the Remuneration Committee, as detailed on page 97.

The Board of directors is assisted in monitoring the success of our ESG initiatives through the work of the Group Risk Committee, which monitors the progress we make against our strategic ESG objectives and the targets we have set. The Group Risk Committee is chaired by our chief financial officer and reports formally to the Audit Committee on an annual basis.

One of the principal risks and opportunities faced by the business relates to environmental matters, including those contributing to climate change. On a day-to-day basis, the Group's response to climate-related risks and opportunities is led by Brendan Horgan, the Group's chief executive, and activities include working with suppliers and customers on developing and bringing more environmentally-friendly equipment options to market as discussed in more detail on page 37, directing the business in relation to reducing emissions through direct operations and approving associated capital expenditure plans.

Our actions across each of these areas are embedded within our operational activities across the business, supported by the Group's managing director of ESG and dedicated specialists in North America and the UK. An ESG operating committee, chaired by the Group's managing director of ESG and including representation from across the businesses, has been established to monitor progress of our ESG-related initiatives and performance against the targets we have set for ourselves. The results of the ESG operating committee's work are reported to the Group Risk Committee.

STRATEGY Climate-related risks and opportunities

The Group undertook a material issues assessment to identify the significant risks and opportunities for the Group from an ESG perspective, the results of which are detailed on pages 54 and 55 within our Responsible business report. They are analysed into four key areas: our people; the environment; our communities; and governance. Climate-related matters fall within 'the environment' area and the Group believes climate-related matters represent significant opportunities as well as posing certain risks for the Group. The Group believes that its market position and financial strength brings it significant competitive advantage in responding to these risks and maximising the opportunities. Specifically, the Group has identified opportunities arising from the

development of new products and services which support the transition to a lower-carbon economy, the shift in customer preference from ownership to rental and the overall benefits to the environment as a whole which arise from sharing assets over their life cycle, described in more detail on page 28, Lead with ESG, and on pages 66 and 67 within the Responsible business report.

The Group considers the range of climate-related risks and opportunities over the short, medium and long-term. In assessing these time horizons, the Group has defined short-term as being over the next three years, medium-term as being three to five years and long-term being beyond five years. These risks and opportunities are factored into the Group's strategic planning.

We believe that the climate-related risks relevant to the Group are those associated primarily with transition risks rather than physical (acute and chronic) risks. Physical risks are mitigated by the diverse nature of the Group's operations. The Group operates from over 1,200 stores across the US (where we are present in all but three states), Canada (where we are present in six provinces) and the UK. Our largest store has c. \$125m of rental fleet at cost (c.1% of the Group's fleet) while c. 95% of our locations have less than \$50m of rental fleet at cost, the majority of which is out on rent at any particular time. As a result, no one store is material to the Group such that a natural disaster would have a significant impact on the Group's ability to operate.

Transition risks identified include regulation (current and emerging), technology, legal, market and reputational. The impact of these risks, the likely time horizon over which they may affect the business and the Group's response are considered on page 74.

Regulation (medium to long-term)

The Group monitors current and emerging regulation to ensure our policies and practices remain appropriate. Specific examples of current regulation which impacts the Group relate to ensuring our rental and vehicle fleet is compliant with engine emission standards such as the Californian Air Emissions Standards or the London Ultra-low Emission Zone requirements. We believe that regulation will increase over time and the potential of increased pricing of GHG emissions could lead to higher operating costs for the Group in the future.

Technology (medium to long-term)

A significant proportion of our fleet contains a diesel engine. While we will seek to replace these assets with assets using alternative fuel sources as they become available, this will take time. There are a lack of alternative assets available today and limited manufacturing capacity and so we expect any transition to happen gradually. We will seek to manage this transition in the same manner as we managed the transition from Tier 0 to Tier 4/5 diesel engines from 1994 to 2018. On average, we own assets for seven to eight years and therefore expect the full transition of our fleet will only occur over the longerterm. We are working closely with suppliers and customers to develop new technology, including investment in partners to assist in the development of battery and other technology. We also believe the development of Bio-diesel or other environmentally-friendly alternative fuels will provide an alternative to the reliance on diesel today.

Legal (short-term)

Legal compliance covers matters such as wastewater, stormwater, solid and hazardous wastes and materials, and air quality. Breaches potentially create litigation matters for the Group which may result in fines and penalties for noncompliance. The Group's Health, Safety

and Environmental departments and our Performance Standards operational audit teams continually assesses the Group's regulatory environmental compliance. These audits have a built-in corrective action process to ensure any identified non-compliance is addressed in a timely manner.

Market (medium to long-term)

Emerging market developments are monitored, using both third-party risk analysis, as well as internal views of emerging trends. Specifically, these market factors include changing customer requirements as a result of the environmental standards to which they operate to support their own low-carbon objectives and the shift from ownership to rental as customers opt to rent newer, more expensive technology than own it.

Reputational (short to long-term)

Breaches of environmental regulation potentially create hazards to our employees, damage to our reputation and expose the Group to, among other things, the cost of investigation and remediating contamination and also fines and penalties for non-compliance.

Management of the impact of these climate-related transition risks and opportunities forms part of the day-to-day operational activities of the Group and our

financial planning activities reflect the financial impacts and investments anticipated with examples of their activities provided within our Responsible business report on pages 66 and 67, such as our partnership with Bobcat and our investments in greener vehicles. Ultimately, the Group believes the opportunities presented by climate change significantly outweigh the risks to the Group.

Resilience of the organisation's strategy

The Group has a business model that is both resilient and adaptable to change. Furthermore, it benefits from a distributed operating structure such that it is not reliant on any particular location. The Group's strategy seeks to take advantage of these benefits of the business model, while recognising the risks inherent in the business and the environment in which we operate, whether that be economic factors, competitor actions, cyber threats or environmental considerations such as climate change. We discuss our thinking on climate-related matters on a regular basis assessing how changes may affect the business and how the business would respond. While we consider a wide range of scenarios we have outlined our thinking under two climate scenarios, an increase in average temperatures by 2°C or less and then if the average increase were 4°C.

In a 2°C or less scenario, we believe that the risks and opportunities faced by the Group will be related principally to transition risks (e.g. the application of policy or regulatory initiatives including increased pricing of GHG emissions, changes in technology and changes in customer preferences). In this scenario, as we, our suppliers and our customers look to reduce GHG emissions, we are likely to face increasing costs whether that be through increased cost of our rental fleet or the cost associated with the pricing of GHG emissions. While we believe these factors will crystallise over the medium to longer-term as new technologies develop, we are working with our suppliers and other parties to advance these technologies, an example of which is discussed on page 64. In the near to medium-term, the availability of new technology will be constrained by production capacity and we would expect to transition our rental fleet to the latest technology gradually as we replace c. 15% of our rental fleet every year. We believe that increased costs and complexity will provide additional impetus to the shift from





ownership to rental, increasing our addressable market. We expect rental and transportation rates to reflect the increased cost of rental and transportation equipment. enabling us to maintain similar levels of dollar utilisation and therefore returns. We expect to continue to dispose of old rental fleet in the used equipment market, replacing other organisations' older, less environmentally-friendly equipment.

In a 4°C scenario, in addition to the transition risks discussed above, we would expect to see an increase in physical risks (e.g. increased instances of extreme weather events, rising mean temperatures and rising sea levels). As discussed above, the diversified nature of the Group's operations means that no location is material to the Group, mitigating the immediate impact of physical risks on our operations and enabling us to plan for the longer-term. In a 4°C scenario, there is an increased likelihood of more extreme weather events such as flooding, wildfires, hurricanes and other natural disasters, which cause damage and require clean-up and support which we are able to provide through our highly experienced Emergency Response Team.

In any scenario, the speed of the transition of assets will be constrained by the availability of new technologies and manufacturing capacity. Given our partnership with key suppliers and our regular replacement cycle, we expect to be able to transition our fleet more quickly than many other organisations. These discussions and considerations are factored into our routine financial planning activities - for example, through our capital allocation decisions.

RISK MANAGEMENT

The process for identifying, assessing and managing climate-related risks is the same as for all the risks faced by the Group and is described on pages 34 and 35. The Board has overall responsibility for risk management, setting risk appetite and implementation of the risk management policy - this includes responsibility for climate-related risks. This approach is designed to enable the Group to take advantage of attractive opportunities, yet to do so within the risk appetite of the Board, mindful of risks which have been identified and any emerging risks which may impact the Group. The Group's Risk Committee monitors the actions taken across the Group to manage the Group's risk and ensure that adequate assurance is obtained over them.

In addition, the Group's Risk Committee ensures that risks have been appropriately assessed in relation to risk rating.

METRICS AND TARGETS

Our KPI associated with environmental risk is that of carbon intensity for our Scope 1 and 2 GHG emissions. The basis and rationale for this KPI and our performance in the current year and progress over the prior years is on pages 33, 65 and 66. The target for the Group is to reduce our carbon intensity 35% by 2030 from the level in 2018 (54.0 tCO₂e/\$m on a constant currency basis), with a shorter-term target to reduce our carbon intensity 15% by 2024 from the level in 2018.

In order to achieve this target, we established a roadmap covering:

- near-term, including greener vehicle transition and route optimisation / dynamic telematics;
- medium-term, including making step changes on vehicle procurement and renewal energy generation; and
- long-term, including migration to alternative energy sources for the Group.

Across various areas, we are working with our key suppliers to ensure progress in each of the areas identified.

Our carbon intensity KPI, specifically delivering a carbon intensity reduction of 15% by 2024, forms part of the Group's remuneration arrangements as one of the performance measures for the Group's Strategic Plan Award, which is linked directly to the objectives underpinning the Group's Sunbelt 3.0 strategy.

In addition, as part of our ongoing focus on the environmental impact of the Group more broadly, we are in the process of developing metrics and targets to monitor and measure our impact in relation to waste to landfill and water usage so as to assist us in measuring our progress in these areas.

Greenhouse gas (GHG) emissions

Our Scope 1 and 2 GHG emissions are disclosed on pages 65 and 66 of this report and have been determined in line with the GHG Protocol methodology.

We are working with The Carbon Trust to estimate the Group's Scope 3 emissions and understand how these will evolve going forward. The most significant components of our Scope 3 emissions relate to our customers' use of our assets during the rental period and the use of sold product (principally the use of used equipment after our ownership). Measuring Scope 3 emissions involves a significant application of judgement, in particular in relation to the use of sold assets when we dispose of rental assets to the used equipment market and end of life treatment of these assets. Accordingly, our Scope 3 emissions will always be subject to a significant degree of estimation uncertainty.