

SUSTAINABILITY THROUGH THE POWER OF RENTAL

Sustainability is at the heart of everything we do. At Ashtead, we have always prioritised our people and their safety, while providing our customers with a reliable alternative to ownership, supporting the communities we serve across our store network, limiting the environmental impact of our operations and ensuring a strong governance framework. We are committed to delivering long-term sustainable success of the Group for the benefit of all our stakeholders. After the progress delivered through Sunbelt 3.0, our new strategic plan, Sunbelt 4.0, increases the focus on sustainability across the Group.

Sustainability under Sunbelt 4.0 is about advancing our customer centric approach, while also strengthening our operational focus targeted to Sunbelt’s key impacts and opportunities. The best way to engage our people on the value of sustainability is by connecting it to the organisational principle of customer obsession. During 4.0, we will strengthen our sustainability focus across four core areas:

- **our operations:** when it comes to our direct operational impacts, we will continue to focus on opportunities to reduce our direct carbon footprint (Scope 1 and 2) and our management of waste and water;

- **our customers:** rental is inherently a sustainable business model, but through providing the linkage between customers and original equipment manufacturers ('OEMs'), we can drive sustainable practices through the value chain. Specifically, by leveraging our platform, expert teams and unmatched partnerships with OEMs, we will help to accelerate the transition to lower-carbon solutions;
- **our people:** health and safety remains our key priority, but our people strategy under Sunbelt 4.0 is centred around attracting, developing and retaining our team members while enhancing our inclusive culture. Our employee resource groups have progressed, fostering our inclusion and belonging activities across our operations; and
- **our communities:** we strive to drive greater impact by investing more in our community and finding new ways to connect with our customers on shared values. In addition to existing signature charitable partnerships, we have announced our new partnership with the Leukaemia & Lymphoma Society.

This Responsible business report works alongside the Group’s more detailed disclosures within the Sustainability report, to provide information for stakeholders on our activities on sustainability. We expect this year’s Sustainability report to be published in Autumn 2024.

Material topics

As part of our risk management process, we assess regularly the most material matters to the Group, including those related to sustainability, and assess their potential impact on our business and the generation of long-term value.

In 2020, with support from external consultants, we undertook a comprehensive materiality assessment to gain a deeper understanding of our sustainability impacts, risks, and opportunities across the short, medium, and long-term. The materiality assessment included:

- stakeholder engagement: collaborative workshops and interviews were conducted with key internal stakeholders to gather their perspectives on sustainability matters;
- benchmarking: industry trends and peer practices were analysed to identify relevant sustainability frameworks, standards, and emerging market issues; and
- strategic evaluation: review of our sustainability strategy, targets, future plans, programmes, and capabilities.

OUR COMMITMENT TO THE UNGC AND SDGs



In evidencing our commitment to both the principles of the United Nations Global Compact ('UNGC') and the 17 Sustainable Development Goals ('SDGs'), the Group is a signatory to the UNGC. Our commitment requires us to uphold the UNGCs Ten Principles on human rights, labour, environment and anti-corruption, and incorporate those into the core of our strategy, company culture, and daily operations.

The Group’s activities also help advance the United Nations SDGs. To date we have identified eight goals to which we believe we can make the most contribution through our focus on recruitment and training, diversity, equity and inclusion, the development of our products and management of our operations. Further details are provided in our Sustainability report.

We have refreshed this assessment, and prioritised material topics based on their potential impact on our business operations and importance to our stakeholders. It is important to note that although some topics have been deemed to have a 'low' impact on our business, we recognise the importance to our stakeholders and overall duty to doing the right thing. For example, while our business model inherently minimises waste and water use, we acknowledge the significance to our stakeholders and our local communities in reducing waste and water consumption and have a number of initiatives in place.

We have segmented our material topics into our four key sustainability areas: our operations; our customers; our people; and our communities.

We review these material topics on an annual basis, taking into account any new emerging risks, and they are considered and approved by the Board together with our annual report. In addition, we will look to expand this process by undertaking a double materiality assessment for the Group. This will help us to articulate better not only how our business impacts society and the environment, but also the financial risks and opportunities that arise as a result.

How we monitor our work

A robust approach to corporate governance is the foundation for delivering our strategy and ensuring our growth is both responsible and sustainable. The tone from the top, risk management and transparency are all elements that are essential to our business performance and its





sustainability. We understand that identifying metrics in measuring our performance is important and have a number that we monitor, including health and safety incident rates, employee engagement, staff turnover and carbon intensity. We report on these in this report.

The Group's Board of directors is responsible for monitoring the progress we make against our strategic sustainability objectives and the targets we have set. The Board is assisted in this function by the Group Risk Committee which is chaired by our chief financial officer. For further information on the Group Risk Committee, its members and priorities in current and forthcoming years, please see pages 36 to 41.

Current material topics

Topics	Business impact		
	Low	Medium	High
Health and safety	  		
Climate action	 		
Waste and water			
Sustainable value chains	 		
Talent attraction and retention			
Talent development			
Diversity, equity and inclusion			
Community engagement			
Charitable giving			
Veteran engagement	 		
Corporate behaviour	 		

Key: Linkage to sustainability strategy core areas:

-  Operations
-  Our people
-  Customers
-  Communities

Health and safety

Our success is built on a culture that places health and safety at its core. We are committed to improving continually our safety performance, both in how we operate and the equipment and services we provide for customers. This year we achieved our safest year yet in terms of Total Recordable Incident Rate ('TRIR'). We believe that being known for excellence in health and safety provides us with a significant competitive advantage.

Health and safety is fundamental to our operations and a primary business goal. It is a line of responsibility that begins with management and extends to all stores across the Group. The Group acknowledges its responsibility to provide and maintain a suitable, safe and healthy working environment, safe systems and safe methods of work to employees, contractors and customers.

The Group is committed to the following basic principles across all of our operations:

- strict adherence to occupational health and safety ('OHS') legislation: the Group's Health, Safety and Environmental specialists, and our operational audit teams, continually

assess the Group's regulatory compliance with relevant occupational health and safety OHS legislation and best-in-class practices;

- continuous identification and assessment of occupational risks and adoption of measures to control and mitigate them;
- establishment of quantitative and qualitative targets and close monitoring of TRIR, as well as other leading and lagging indicators relevant to the Group's operations;
- continuous provision of information and training to personnel, business partners and customers to ensure competency, equipment quality and safe working practices; and
- the maintenance and update of suitable emergency preparedness plans.

We target safety improvement through health and safety programmes and encouraging employees to always keep their own safety, and that of their team mates, in mind. Our safety training for employees, managers and leaders reinforces the importance of a safety-first mindset and we pay particular attention to near misses as a way of continuing to understand and focus on safety risks. All incidents and near misses are investigated and responded to swiftly.

Safety initiatives

We seek to engage our team members in their safety and well-being every day. We encourage staff to take responsibility for their own safety and have core safety processes across all our stores. These include:

- our team members are trained regularly on the safe use of relevant equipment for their role;
- the near miss programme, which provides insights into our exposures across our business;
- weekly safety training videos on key topics to improve engagement relative to long safety presentations;
- 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 stores hold safety meetings and engage in topics such as near miss reporting, being more observant in looking for exposures, corrective action closure, etc. Weekly safety communications and briefings



ENGAGE FOR LIFE

Our Engage for Life programme forms the backbone of our health and safety work and is built on three pillars: culture, community and commitment. We are building a culture that eliminates serious injuries or fatalities ('SIFs'), aligns best practices, and ensures we all have the right skills to complete work safely. An important component of Engage for Life is that we demonstrate our dedication to the well-being of our team members, their families and communities, while supporting and encouraging team members' safety development. This is an area where we will always strive to do more, and we are committed to embedding the whole ethos of Engage for Life ever deeper within our culture.

At the heart of our Engage for Life Programme lies a new initiative: the Principles for Life. Launched alongside our latest growth strategy, Sunbelt 4.0, these principles target six critical areas where we can have the greatest impact in reducing health and safety incidence. Each principle offers practical guidance for reducing incidents in high-risk areas. This programme will be important for continual reduction in our TRIR.

are also issued to all team members, further encouraging continual dialogue in relation to safety matters at all levels of the organisation, via email and through our employee engagement app;

- 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;
- introduction of critical control checks as a foundational element of our safety protocols. These checks involve the systematic identification and verification of critical controls essential for preventing incidents and minimising hazards;
- enhancing safety through investment in innovative Personal Protective Equipment and driver safety technology; and
- a dedicated Safety Data and Analytics Team focused on providing critical information in near real time leveraging industry-leading safety management technology.

Our senior leadership teams have weekly safety meetings to provide focus towards developing solutions that can be replicated across the Group. In addition, we hold annual safety weeks designed to increase awareness of the importance of safety across the business. Safety Week serves as a platform for promoting collaboration and knowledge sharing among employees, stakeholders, and industry partners, reinforcing our collective commitment to prioritising safety as a core organisational value.

Driver safety programmes

We deliver to customers across all 50 states in the US, eight provinces in Canada and across the UK. Covering this distance means safety on the road for our drivers and other road users is paramount. While we have one of the safest fleets in the equipment rental industry, we continue to focus on safety through our commercial vehicle training programme and defensive driving courses so we can target ways in which we can further reduce our incident rate.

We make use of technology in our driver safety programme, known as RITA, such as onboard telematics to help us prevent unsafe behaviours on the road and dash cameras enabling real-time feedback on behaviours which could lead to vehicle incidents (e.g., lane departures, critical distance or in-cab behaviours). To date, over 90% of our vehicle fleet in North America is equipped with telematics and c. 90% are equipped with cameras with ambitions for our entire fleet to be technology enabled. RITA also enables recognition of positive actions, can assist with exoneration in the event of an incident and can assist with customer safety. It can be used to coach drivers to become more aware of their habits through a system of vehicle alerts. We have found that the improvements cameras have enabled, have changed perceptions of their use, and our drivers now embrace them, rather than being wary of feeling monitored. Onboard technologies can also provide incremental benefits through reduced fuel use, enhanced engine and vehicle maintenance, and route optimisation.

HELMETS VS HARD HATS

This year, we took significant strides in fortifying our commitment to workplace safety by implementing upgraded head protection measures across our North American operations. We invested \$2m upgrading from hard hats to helmets across our North America business. Equipped with secure straps, helmets provide added reassurance by ensuring stability in the event of a fall, while also offering crucial side impact protection to safeguard against potential hazards. In tandem with the adoption of helmets, the business also expanded its head protection standards by introducing bump caps in key operational areas such as shops, service areas, and yards. Bump caps provide essential protection from overhead hazards, particularly in environments where team members are working near equipment and machinery. Designed to absorb and deflect impact, bump caps offer an additional layer of protection against potential head injuries, enhancing further the safety of our workforce.

How we monitor performance

This year, we had our safest year yet in terms of Total Recordable Incident Rate ('TRIR'). We monitor and analyse health and safety incidents and 'near misses', investigating and analysing root causes to help identify recurrent issues and risks, and implement preventative controls. 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 35).

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 continually improving as the lessons learnt are as instructive or often more so than from actual incidents.

Reportable incidents are measured differently in North America and the UK due to different regulatory frameworks. In the US and Canada, reportable accidents are reported in accordance with OSHA (Occupational Safety and Health Administration), referenced as a Total Recordable Incident Rate ('TRIR') 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 incidents are generally identified in North America as being reportable than in the UK.

To compare performance between our main operating countries we measure incidents using RIDDOR, as shown in Table 01. All safety and health reporting is made through our online reporting system.

We remain committed to reducing these rates as much as possible and continue to see progress across the businesses.

In addition to monitoring reportable incidents, we have developed a set of performance predictors. These are a set of six leading indicators that monitor each month's activities supporting our safety culture and performance. The leading indicators are mostly centred on engagement and include topics such as safety meeting attendance, safety committee participation and defensive driving programmes. These are recorded in our online safety reporting system.

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. We have the highest safety expectations for all our equipment suppliers. Our near miss reporting programme mentioned above is an important tool we use to feed back and collaborate with suppliers and OEMs based on what we find. For example, if we identify any heightened risk in a particular asset, we work with the OEMs to fix and repair or to innovate their equipment. Being in the middle between customers and suppliers means we can influence and innovate both ways. For our customers, we have dedicated equipment trainers and we offer customised training programmes to meet 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 offer dedicated full-time safety trainers for our customers in 163 markets across North America and have 35 training centres in the UK.

In the UK we are increasing the number of sustainability-related health and safety customer courses for example domestic and commercial electric vehicle charging installation and site environmental awareness training courses. This reflects the strong link between health and safety and advances in green technology and regulation. We see this as an area of added value and a way to enhance safety with those we work with and across our sector more widely.

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
- Fall protection
 - Authorised User
 - Competent Person

Train the trainer

- Mobile elevating work platforms
- Forklifts
- Earth moving equipment
- Fall protection

Scaffolding

- Scaffolding (Supported & Suspended)
 - Competent person
 - User Awareness
- Trench Safety
 - Confined Space Awareness
 - Competent Person Excavation
 - Evacuation Awareness
- Customised courses available

01 Recordable accidents

		2024		2023	
		TRIR	RIDDOR	TRIR	RIDDOR
US	Recordable accidents	212	68	253	73
	Incident rate	0.76	0.12	0.97	0.15
Canada	Recordable accidents	19	3	18	5
	Incident rate	0.78	0.06	0.89	0.12
UK	Recordable accidents	n/a	19	n/a	23
	Incident rate	n/a	0.19	n/a	0.25

Climate action

Advancing sustainability through the power of rental

Protecting the environment is not just the right thing to do; we believe rental has a significant part to play in the transition to a low-carbon economy and as such sustainability is a key element of our business strategy. The environmental benefits of renting equipment rather than ownership accrue when many customers rent one piece of well-maintained and safe equipment only when they need it, as opposed to multiple customers purchasing that same piece of equipment, using it a few times, and then disposing of it.

Through our scale, processes and technology, we believe that we are better equipped to reduce the greenhouse gas ('GHG') impact of equipment ownership, operations and disposals than equipment operators. Our scale and market reach enable us to achieve a high utilisation rate for each piece of equipment, reducing the overall number of assets required to be manufactured. Our large inventory of rental assets means that our customers can use the right equipment for the right job. Furthermore, they can be given training to operate those machines in the most efficient way possible, minimising fuel consumption and carbon emissions during operation, and by positioning our assets where they are required, reducing transportation requirements. Furthermore, our rigorous maintenance programme ensures all equipment performs at optimal capacity, maximising efficiency, extending its useful life and minimising environmental impact.

Finally, our investment in technology including battery electric vehicles and telematics combined with our geographic reach, enable us to reduce transportation emissions by maximising load capacity and route optimisation.

Our commitments and progress

This year, as an important part of our new strategy, Sunbelt 4.0, we have made a commitment to be Net Zero within our operations (Scope 1 and 2 emissions) by 2050. We have a tangible pathway to enable us to reach this goal, with a 2034 shorter-term target of a 50% reduction in Scope 1 and 2 carbon intensity (from a baseline of 2024).

During Sunbelt 4.0, we will focus on expanding electric and hybrid solutions applicable to light, medium and heavy-duty fleet, leveraging clustered markets to optimise deliveries and reduce miles driven and increasingly using renewable diesel, renewable electricity and expanding our LED lighting programme.

We know that the pathway relies on innovation, advancements and refinements in technology, and infrastructure to come to fruition. As such our net zero road map is dynamic and designed to be adapted as both known and unknown factors develop, for example evolving projections around the pace, scale and cost of low-carbon technology and infrastructure, and volatility in the renewable energy credit (REC) markets and associated costs. The pathway is informed by the macro-outlook from a range of key sources including OEMs, fuel producers, governments, experts and thought leaders like the International Energy Agency (IEA), as well as our own proprietary insights. Further details on our commitments and progress including a more detailed road map will be provided in the Group's next Sustainability report, which we expect to publish in Autumn 2024.

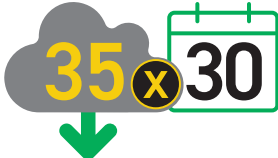
Scope 1 and 2 greenhouse gas emissions

The Group's direct energy consumption arises predominantly from the diesel and petrol used in our vehicle fleet, the gas consumption in our facilities and our purchased electricity.

Our Scope 1 (fuel combustion and operation of facilities) and Scope 2 (purchased electricity) GHG emissions are reported in Table 02 on page 62, 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 a 'market-based method' in accordance with 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 2023, the latest available emission factors from the US Environmental Protection Agency and the Environment and Climate Change Canada. In addition:

- in the US and Canada, due to the size of our operation and range of fuel and electricity providers, we collect data from the significant vendors and then use this to estimate emissions attributable to the balance. In addition, we are required to estimate electricity usage between the most recent meter reading and the year-end date. As such, for the year ended 30 April 2024, approximately 10% of the North American emissions balance was estimated; and
- in the UK, we collect data from all Scope 1 and 2 suppliers and hence, there is no estimation involved. However, we estimate an amount for invoices not yet received and as such, for the year ended 30 April 2024, 1% of the UK emission balance was estimated.

 <p>Sunbelt 3.0</p> <p>By 2030, 35% reduction in Scope 1 and 2 carbon intensity, with a near-term target of 15% by 2024.</p>	<p>NET ZERO BY 2050</p> <p>Sunbelt 4.0</p> <p>Scope 1 and 2 Net Zero by 2050, with a near-term target to reduce carbon intensity by 50% by 2034 relative to 2024 baseline year.</p>
<p>Progress</p> <p>31% reduction in Scope 1 and 2 carbon intensity from baseline year of 2018.</p> <p>Progress made from:</p> <ul style="list-style-type: none"> - increase in renewable electricity procured in the US; and - c. 60% of transportation fleet is now equipped with telematics, resulting in improved load capacity and route optimisation. 	<p>New target</p> <p>Tangible pathway identified to deliver Net Zero by 2050, with flexibility embedded to allow for different pathways subject to available technology.</p> <p>In the nearer term, we are targeting a 50% reduction in Scope 1 and 2 carbon intensity by 2034 (from a 2024 baseline).</p>

In the current year, our total Scope 2 emissions resulting from our US operations have been reduced by the sourcing of electricity in certain locations from renewable sources which are REC backed (11% of our US consumption). We will continue to explore the options available to us to extend the sourcing of purchased electricity from renewable sources where market regulation allows. In the UK, we source all electricity from renewable sources which are REGO (renewal energy guarantees of origin) backed except for a small number of locations where energy is sourced by a third party.

Our level of GHG emissions vary with our activity levels which are in part reflected in our revenue levels. Accordingly, we have concluded that the most appropriate intensity ratio for Ashtead is on a revenue basis.

tCO ₂ e/\$m	2024	2023
Carbon intensity ratio – emissions per \$m of revenue	37.4	38.4
Carbon intensity ratio – emissions per \$m of rental revenue	42.2	42.7

On a constant currency basis (using this year’s exchange rates) our intensity ratio has reduced 2% from 38.3 to 37.4.

Going forward, we will measure carbon intensity based on rental revenue, rather than total revenue, as we believe that this better reflects progress made by the Group without the potential for volatility in the level of used equipment sales.

Over 80% of our Scope 1 and 2 carbon emissions come from our vehicle fleet. Tackling emissions from our vehicle fleet is therefore a key area of focus for us and we are doing this in two ways:

- using the vehicles we have in the most efficient way possible using onboard telematics; and
- shifting our vehicle fleet away from traditional fossil fuels to alternative fuel types. For example, we are working with our manufacturers to test a range of EVs for the business across our sales, service and delivery fleet.

Scope 3 value chain emissions

Understanding the carbon footprint of our entire value chain, both upstream with suppliers and downstream with customers, is key to unlocking energy efficiencies and working towards a low-carbon economy. In 2022/23, we completed our preliminary Scope 3 assessment and disclosed emissions across the 11 categories which we identified as relevant to the Group in our 2022/23 Sustainability report. In calculating our Scope 3 emissions, we have followed GHG Protocol guidance but highlight that where data sources are incomplete, we have sought to extrapolate our emissions based on the data available to us to reflect the Group’s entire Scope 3 footprint.

The majority of our Scope 3 emissions arise through our customers’ use of our equipment on their sites and projects (category 13), emissions from the use of sold rental equipment subsequent to our ownership (category 11), all of which are

required to be accounted for in the year of disposal, and the embedded carbon in our supply chain (category 2). Consequently, they are based on broad assumptions across a huge number of assets which are inherently difficult to validate, including annual hours of use, average fuel consumption, average engine load factor and, for category 11, the total lifetime hours of use of assets subsequent to our ownership. Accordingly, our Scope 3 emissions will always be subject to an application of significant judgement and hence a high degree of estimation uncertainty.

We are working to refine our estimation approach, including through the use of ever greater amounts of machine telematics data as it becomes more readily available across our asset base. We are also engaging with external consultants to review our methodology and approach and have participated in an industry-wide initiative led by the European Rental Association to develop industry-specific guidance relating to the measurement of Scope 3 emissions. We therefore expect to publish updated Scope 3 emissions in the Group’s 2024 Sustainability report in accordance with this industry guidance.

As we look to the future, we recognise that our Scope 3 emissions are likely to increase in the short- to medium-term as we continue to grow. Future reductions in our Scope 3 emissions will be dependent upon the development of technological solutions to allow for current equipment to be replaced by equipment with low- or zero-carbon emissions, the availability of renewable diesel, and the adoption of these options by customers. Nevertheless, during the period of Sunbelt 4.0, we will continue to engage with our rental equipment suppliers, understanding their commitments to reducing their own emissions, and investigate the possibility of establishing a Scope 3 intensity target for the Group.

02 Greenhouse gas emissions

		2024		2023	
		UK	Total	UK	Total
Scope 1	tCO ₂ e/year*	31,000	371,404	31,288	340,782
Scope 2	tCO ₂ e/year*	748	34,544	776	30,380
Total	tCO ₂ e/year*	31,748	405,948	32,064	371,161
Energy consumption used to calculate emissions	mWh	145,344	1,646,300	148,497	1,511,320

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

Waste and water

Waste

Reducing waste going to landfill, increasing recycling and reducing water use are all important to our sustainability efforts. We are strengthening our processes in these areas and establishing metrics and targets. 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.

To assess more accurately the volume of waste we generate and recycle, we work with our waste contractors across each of our locations and pursue programmes to reduce the volume of waste we produce. We work with suppliers to reduce the packaging included with products we procure and partner with them to develop takeback programmes for equipment packaging and protective materials. In addition, 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. In addition, we continue to develop our refurbishment programme in conjunction with our suppliers, where original equipment gets stripped down, new components are added, and it comes back into service. Several of our suppliers have dedicated facilities for our refurbishments. In the UK, we have been working closely with waste providers to collect all the rubber tracks and tyres that were awaiting disposal across our depots. As a result of this initiative all tracks and tyres are now recycled, recovered or reused.

Water

Our approach to water stewardship is to focus our efforts where water is scarce. We have used the World Resources Institute's Aqueduct tool to map where we are operating in areas of water stress or high-water stress. Across the Group, c. 30% of our stores are in areas of water stress or high-water stress, principally in California and the southwest and central states of the US. This provides a blueprint for where we are targeting water-saving initiatives by introducing technology to help reduce water use in these areas.

Water saving initiatives available to us include the use of closed loop wash systems where we reuse water many times over, as well as water recovery systems where we capture water run-off for use within wash-bays.

Sustainable value chains

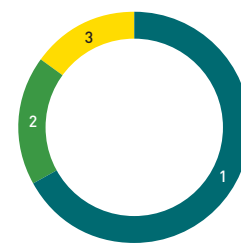
Every year we invest millions of dollars in new equipment and fleet which produces less carbon, less particulate matter and needs less maintenance and servicing. Our investment in innovation is a key driver in addressing Scope 3 emissions. We work closely with our suppliers and OEMs to develop the next generation of equipment. Being perfectly positioned between the OEM and the end consumer, we are ideally placed to bring about change, usually getting earlier access to sustainable products than others.

We work closely with manufacturers 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. At the same time, our desire to invest in new and low-carbon technology demonstrates there is demand for these 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.

Chart 03 shows the composition of our fleet today. While it will take time before a significantly greater proportion of our fleet moves away from diesel power, approximately 20% of our rental fleet is already 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 standards and we have one of the most modern fleets of rental equipment in the industry. We have focused on investing in next generation, low- and zero-emission technology including battery, electric, solar and hybrid options, and are committed to working closely with all our suppliers to help them develop the most environmentally sustainable equipment.

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. We replace our rental assets every seven to eight years and as we retire older equipment, the new equipment we buy delivers efficiency improvements. But we do not simply rely on these incremental improvements.

03 Group fleet composition



1 Fossil fuel	67%
2 Electric	18%
3 Other, including non-powered	15%

We have developed partnerships with suppliers to introduce alternative energy and fuel solutions for our customers. For example, HVO (hydrotreated vegetable oil) fuel can replace diesel with no changes required to the engine or operational infrastructure and is approved for road and non-road use. In the UK, we have received approval under the RFAS (Renewable fuel assurance scheme) as a recognised fuel supplier for HVO. By joining the RFAS, we are demonstrating our commitment to providing our customers with sustainably sourced renewable liquid fuels with credible GHG emission savings.

Energy management as a service is one of our important new offerings where we consult with customers on how best to manage their energy requirements. Last year we helped power a remote island with the most energy-efficient solution during their peak summer season, providing only the energy load needed at the time it was needed, eliminating wasted diesel and reducing carbon emissions. If customers are reluctant to try electric powered solutions, because of charging concerns, for example, we can offer them a hybrid charging solution, combining our battery energy storage system with diesel generation, resulting in 75% less emissions than diesel alone.

Talent attraction and retention

Our people are our priority. They give us an enormous competitive advantage, provide superior service to our customers, and exemplify our exceptional culture. Recruiting and retaining the best talent is critical for supporting our growth plans under Sunbelt 4.0.

Our people strategy is focused on accurate recruitment which means finding the right people for the right openings and accurately communicating to candidates what the job entails alongside the benefits of working for Sunbelt. Once through the door, our investments in safety and well-being, personal and professional growth, compensation and reward structure and inclusion are important retention enablers.

In the UK, a key component of our recruitment at a junior level is our formal apprenticeship programme. We took on 19 trainees into our UK apprenticeship programme this year and we plan to recruit more 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.

We are also committed to supporting veterans and aspire to be an employer of choice for people leaving the military.

Approximately 9% of our workforce in North America are military veterans and this is a number we are aiming to grow. Our goal is for veterans to be able to find a fulfilling workplace at Sunbelt where they can enrich our culture and contribute to achieving our goals. The skills gained during active service match well with the skills we are looking for in positions across our business, from our skilled trades to leadership roles.

We have developed a robust programme for recruiting and retaining veteran employees and we actively recruit members of the armed forces through job fairs, strategic partnerships, and programmes such as the U.S. Chamber of Commerce’s Hiring Our Heroes programme and our partner, the US Department of Defense, where we are an official Skillbridge provider. We were honoured to be recognised as a 2024 Military Friendly Employer for the fourth year in a row and to be awarded the highly coveted VETS Index Employer Award for our commitment to recruiting, hiring, retaining, developing and supporting veterans and the military-connected community.

Our commitment to employing military service leavers and veterans is the same in the UK as in the US and our businesses work together on veteran recruitment strategy, pooling our collective experience and resources. We have an official network of veteran ambassadors across North America and the UK to support existing veteran staff and help attract more team members.



Pay and benefits

Pay and benefits is one of the most significant factors in attracting and retaining the best people.

Our employees’ pay and benefits are made up of competitive fixed pay and a range of benefits and incentive programmes to motivate employees and support our business’ success. In North America we have adopted a Leading Wage approach to ensure all employees are paid an hourly rate more than the state and federal recommended rates and at a level which is competitive to the market. Sunbelt UK is an accredited Living Wage Employer. We recognise the strong link between financial well-being and employee engagement, including mental health and well-being. We closely monitor industry pay, and benchmark our salaries, to ensure a competitive package is offered to attract, retain and appropriately reward our employees.

In addition, 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 have limited increases in member contribution rates despite the increasing costs of healthcare. By continuing to promote wellness, we intend to maintain a fair and balanced health plan that is considered one of the best in our industry. Our retirement plans are well received with an 85% enrolment rate in our US 401(k) plan, 96% enrolment rate in Canada and 93% of UK employees participating in the pension plan.

We recognise that mental health is another vital part of overall well-being, and as such 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 the employee more flexibility and choice in how they use their contractual benefits.

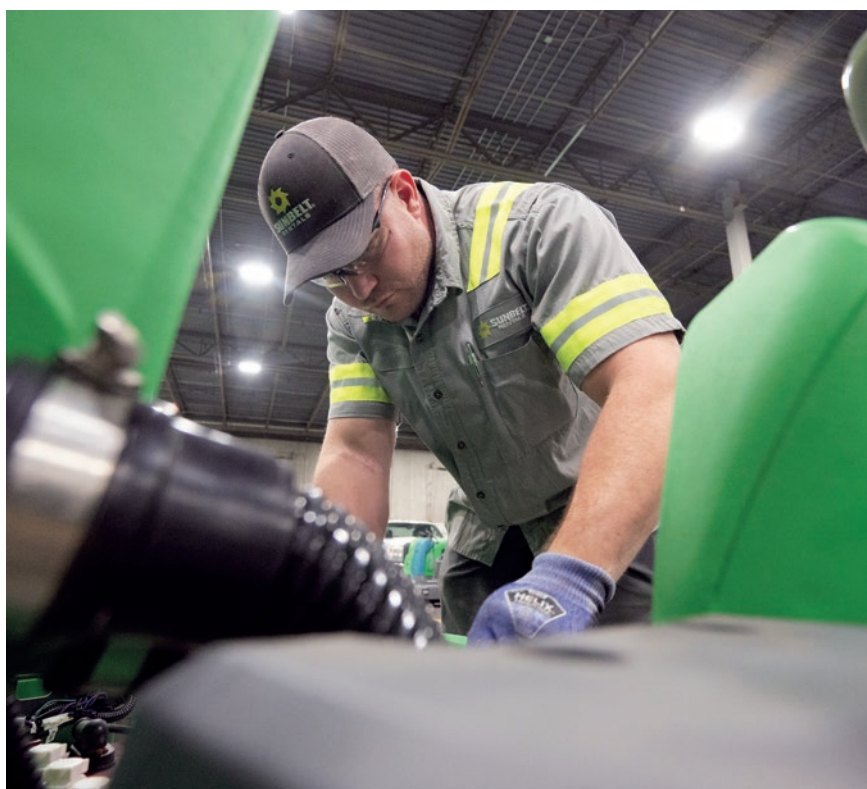


IMAGE: Master Chief Shane McKenzie, USN, Retired (Director, Veteran and Impact Programs)



VETERAN SPOTLIGHT

Shane McKenzie is a retired U.S. Navy SEAL Master Chief who serves as our Director of Veteran and Impact Programs. He spent almost 30 years in the SEAL teams, leading teams in combat zones around the globe, starting his military career as a SEAL Operator and finishing as a Command Master Chief. Under Shane's leadership, we have developed our Veterans programme around four key pillars: resources, recruitment, recognition and retention, and have won multiple best-in-class awards for our military recruitment.



We had a vision to build a multi-national programme geared to support the unique challenges faced by our veteran teammates and their families. We now lead one that exceeds industry standards, is internationally recognised as best-in-class and that extends support within every country in which Sunbelt is located."

We offer paid parental leave group-wide and in the US, employees can use pre-tax money to contribute to health-related purchases and dependent care expenses – including the cost of childcare, babysitters and after school programmes.

Employee engagement and well-being

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 conduct regular employee surveys in North America and the UK, which have received excellent levels of response. We have been delighted with the results so far, which show a high degree of employee engagement and satisfaction but highlight areas where we can improve.

In North America, our latest Express Yourself Survey received a 75% participation rate with an 88% engagement score. In the UK, participation in the latest survey was 86% with an 80% engagement rating. Responses to the surveys are overwhelmingly positive. We analyse the results and identify areas for improvement, developing action plans down to a local level and report to the Board on progress. Since the launch of the Express Yourself Survey, we have put in place a number of employee initiatives as a result of this feedback and enhanced our employee communication activities to allow better two-way engagement with our team members. We have seen an increase in employee engagement scores year-on-year highlighting the effectiveness of measures taken.

When our staff are on top form, they provide the best service to our customers. We promote employee well-being on a daily basis. We recognise the link between mental health and well-being, flexible working and managing work related stress. That is why we offer remote work opportunities where the role allows for it. In some roles, remote work opportunities may not be possible (for instance drivers and technicians), but flexibility is still possible through proactive shift management. We take action to minimise work related stress including supporting our team in recognising stress triggers

and managing workloads. We are also there to help when employees find themselves in difficulties. We have mental health support initiatives across the Group and employees can get help quickly via an app or through our employee assistance programme as needed. For example, in the UK our 'Let's Talk Mental Health' programme included an initiative which saw volunteers completing a two-day professional Mental Health First Aider course (MHFA England) and becoming mental health ambassadors within the business.

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 established initially 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 hardship. Any employee is eligible to receive relief from this fund for the benefit of themselves or their immediate family members living in their household.

Workforce turnover

Our sector generally suffers from high turnover rates, especially in some of our skilled trades, such as drivers and mechanics. Our voluntary staff turnover is 15% in the US (total staff turnover is 20%), 15% in Canada (total staff turnover is 21%) and 19% in the UK (total staff turnover is 24%). Our analysis shows that around two-thirds of turnover happens within the first two years of an employee starting to work for us. As a result, we continue to focus on improving our recruitment process, which means finding the right employees for the right openings. We prioritise our employee onboarding to ensure new recruits get the support and guidance they need from the very beginning of their career with us. Beyond two years, employee turnover drops drastically.

Talent development

Developing our people is crucial to our success. The commitment and skills of our workforce contribute directly to how well we do. Whatever level an employee is at in the business, we aim to train them to improve their skills and give them opportunities for career development through clearly defined, but flexible

career pathways. To keep the best talent in the business, we need to match our people's career ambitions by providing a clear route for progress and development. We offer a wide range of technical, sales, management and leadership training to all employees.

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, a team member can see the skills they need to develop and demonstrate to progress in their career towards a management role.

For those that want to progress within their specific job area, we offer career progression. 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 team member has to pass an evaluation that shows their skills match the next step on the ladder.

For frontline leaders in our store network and other leaders in 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.

Our career development and training initiatives include:

- technician apprenticeship and training programmes;
- paid apprenticeships for trade school students approaching graduation;
- sales training;
- Manager In Training programme;
- intern programmes both in stores and at the support office;
- a leadership curriculum for all store managers;
- an Executive Leadership Development programme;
- women in leadership development apprenticeship programme (UK); and
- coaching skills training for store managers to enable better coaching and mentoring of staff.

To assess the effectiveness of our people development programmes, we have

implemented a robust performance management process. Our cyclical performance management process applies to all employees and provides a standardised framework to help team members with skill development and career growth. Regular feedback and evaluations enable team members to track their progress, identify areas for improvement, and receive recognition for their achievements. We understand that an employee's ambition and priorities can change over time for example to balance family life, caring responsibilities or health issues, and our career progression and career pathing pathway enable flexibility and tailoring to balance these needs. We make every reasonable effort to give disabled applicants and existing employees becoming disabled, opportunities for work, training and career development in keeping with their aptitudes and abilities.



Diversity, equity and inclusion

Creating a diverse work environment where everyone can thrive is crucial to our business and culture. We prioritise diversity, equity and inclusion and we are working hard to create a more diverse workplace. Providing equal opportunities for all is a priority for the Group. We do not discriminate based on a protected status, such as sex, colour, race, religion, native origin or age.

Despite working in a traditionally white male-dominated sector, we are striving to make our workforce more diverse and want our people to reflect the communities which we work in and recruit from. With this in mind, we continue to strengthen our approach to diversity, with the rollout of a diversity, equity and inclusion ('DE&I') playbook for all team members in North America, outlining our approach to diversity, what it means and our plans in this area. Training continues to be rolled out to all employees. Our focus on inclusion has been a key element of our sustainability journey. We have launched nine employee resource groups ('ERGs') between North America and the UK, and their mission is to help advance an inclusive culture that empowers individuals and provides equitable opportunity for team members and the communities we serve. We recognise that fostering diversity, equity and inclusion leads to a better work culture that supports employee mental health.

In the US we are required by law to monitor ethnicity in our workforce and we maintain a diverse workforce with c. 30% of the US workforce identifying themselves as being non-white. We also gather diversity data as part of the recruitment process in the UK and seek to monitor our diversity, although the

information held is less complete than data in North America where information has been gathered over a longer period. We are committed to providing opportunities for people across our organisation regardless of gender, ethnicity or other characteristic.

Our goal is to respect our collective experiences and unique perspectives from across the Group.

Workforce by gender

We are focused on the gender composition of our workforce but recognise our workforce reflects the nature of our business, the industry in which we operate and the markets we serve, with just 13% of the Group's workforce being female. A significant proportion of our workforce are mechanics, technicians and drivers, virtually all of whom have been male historically. Therefore, while across our workforce we seek to promote an increasing presence 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, while 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 continue to prioritise recruiting the best people for every role and are working to make it easier for more women to join and remain with the organisation. We believe that in doing so, we will move towards achieving a greater level of female representation across the Group at all levels starting from the grassroots of our organisation.

Asstead pays men and women the same salary for the same role with the actual remuneration being based on skills, experience and performance.

However, 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 05 is the amount by which average pay for men exceeds that for women.

04 Workforce by gender

Number of employees	Male	Female	Female %
Board directors	5	4	44%
Senior management	23	7	23%
All staff	22,711	3,254	13%
By region			
US	17,093	2,158	11%
Canada	1,974	332	14%
UK	3,644	764	17%

Data presented as at 30 April 2024.

05 Pay gap

	Pay gap
Sunbelt US	4%
Sunbelt Canada	7%
Sunbelt UK	2%

Diversity, equity and inclusion



North American ERGs

Community engagement

With approximately 1,500 stores, we have a strong presence in a lot of local communities. We strive to have a positive impact in these communities through job creation, charity support, volunteering and responding to emergencies. Working with local and national charities is important to us, but the value we can bring to communities is broader than just supporting charitable causes. When we open new stores, we bring opportunities through recruitment, economic activity and a new avenue for local support into these communities. Both through the service we provide and the goods and services we procure, we help entrepreneurs and small businesses grow and, together with our customers, we help build thriving communities.

Our stores are active in their local communities supporting causes relevant to their people. As an example, in Florida, employees, vendors, and customers have generously donated over 261,000 school items including backpacks, notebooks, folders and calculators.

We have always had a volunteering allowance for staff, but under the Sunbelt 4.0 strategy, we are seeking to enhance the employee uptake of volunteering opportunities and improve coordination of volunteering activities so as to have the greatest impact on our communities. We will do this through a new programme for team members to give back to the charities of their choice, elevated by company matching. We are also introducing a 'Dollars for Doers' programme where team members can earn dollars for the organisations that they volunteer with.

Supporting communities in times of need

In the event of natural disasters or other emergency situations, we are often called in as a first responder. We provide equipment and power to restore services and support clean-up operations, with the aim of getting communities up and running again as fast as possible. In North America, we have an emergency response team ('ERT') which activates in response to weather-related disasters, such as hurricanes and tornadoes, fires, floods and snowstorms, or other everyday emergency situations where communities need rapid support. Every emergency situation is different and members of the ERT are experts in their field and are able to respond with the right quantity and type of resources for the situation at hand. Involvement in the ERT by our employees is voluntary and all are ready to deploy at a moment's notice in the event of an emergency.

Charitable giving

As part of our Sunbelt 4.0 strategy, we have set an ambition to amplify our community investment and have set a target of 1% of profit after tax going to community investment by 2028/29.

This community investment will be made in a number of ways. Firstly, we will continue to work closely with our designated signature charitable partners: the Gary Sinise Foundation, Habitat for Humanity and our new partner, the Leukaemia & Lymphoma Society. These partnerships reflect causes which align with causes which are important to us and provide opportunities for long-term relationships where we can make a difference. For example, we are in the ninth year of our partnership with the Gary Sinise Foundation, which works to honour America's defenders, military veterans, first responders, their families and those in need. The Foundation does this by creating unique programmes designed to entertain, educate, inspire, strengthen and build communities. We support the Foundation's R.I.S.E. (Restoring Independence, Supporting Empowerment) programme, which builds 100% mortgage-free, specially adapted smart homes for severely wounded heroes and their families. We also support the Foundation's First Responders Outreach programme, which provides critical funding for America's firefighters, police departments and emergency medical teams, and Snowball Express, a programme serving the children and surviving spouses of fallen military heroes. Our partnership includes the Foundation's Avalon Network, a cognitive health and mental wellness network that provides transformative care to veterans and first responders experiencing post-traumatic stress, traumatic brain injuries and substance abuse issues. This year we contributed over \$2m to the Foundation through monetary and in-kind donations.

We also continue to work with other designated charitable partners. In the US, we work with 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. In addition to financial donations made to the American Red Cross, we also often send equipment and support to disaster-affected areas within the US. In the UK, we also work regularly with a number of charities.

Employee resource group activities

Our employee resource groups seek to give back to our communities through charitable activities. For example, our WISE ERG works with Girls Inc., a charitable organisation which seeks to promote the rights of girls and provide mentorship, safe spaces and programming to help girls' success, while our BOLD ERG works with the Red Cross.

Veteran engagement

A big part of our community impact comes from supporting veterans and the military-connected community. The mission of the Veterans programme is to implement innovative and valuable solutions to improve the short-term and long-term well-being of teammates and their families. Creating a community through which colleagues can connect over their shared experiences is one of the cornerstones of Sunbelt Rentals' veteran retention efforts.

In addition to our partnership with the Gary Sinise Foundation, our SERVE employee resource group works with specific charitable organisations. This year, we have extended our partnership with Wreaths Across America and Wreaths Across Canada to reinforce further our commitment to our veteran community. In the UK, we work with Walking with the Wounded, who support armed forces veterans in many ways, including finding sustainable employment.



Corporate behaviour

We have the same governance processes for sustainability as for any other aspect of the business. How these function and how we have performed is disclosed within the Corporate Governance Report on page 86.

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.

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 money laundering and, in the US, the Foreign Corrupt Practices Act. This takes place every two years in North America with 2024/25 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.

Building a responsible business means considering environmental impact, human rights, and modern slavery across the entire value chain. Our commitment to these values extends to how we engage with suppliers. For more details on our approach, including our due diligence process, please refer to the Governance section on page 80.

Human rights and modern slavery

At Ashtead we believe in the rights of individuals and take our responsibilities seriously to all our employees and those who may be affected by our activities. Our human rights policy is guided by the principles contained within the United Nations Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We have group-wide policies in place, all of which protect our employees as they go about their work which relate to our business and our suppliers. These policies form part of our way of doing business and are embedded in our operations. Our ethical sourcing policy addresses matters such as child and forced labour, freedom of association, working conditions, pay and hours, discrimination and harsh or inhumane treatment.

Modern slavery is an abuse of human rights and we have a separate human rights policy that commits the Group to ensuring there is no modern slavery or known breaches of human rights in our business or our supply chain. The policy applies to all employees across the group and our subcontractors, and we expect similar commitments from our suppliers. Any suspicion that our policy is being breached or at risk of being breached can be reported through our anonymous whistle-blowing lines in North America and the UK.

In relation to our supply chain, while the Group sources goods and services from a wide range of suppliers, the Group predominantly works with a small number of major equipment suppliers, of which the majority are based in North America and Europe. The Group's main suppliers relate to its rental equipment and have strong reputations for product quality and reliability. Outside of the Group's expenditure on equipment, its key expenditure relates to its workforce and goods and services procured locally to its stores.

In the UK, we have entered into a partnership with the Slave-Free Alliance to help us keep up-to-date with the constantly evolving risks associated with modern slavery and to help the Group strengthen further actions taken in relation to modern slavery risks.

Whistle-blowing

Our confidential, third-party operated whistle-blowing service is available to all employees and third parties to raise any concerns that they may have about alleged unethical or illegal behaviour, or potential breaches of our ethical policies.

All whistle-blowing matters are investigated and outcomes are reported to the Board together with any action taken. Our approach is one of non-retaliation and we confirm that no employee will suffer any detriment from raising genuine concerns about ethical conduct.

Public affairs

The Group's policy is to prohibit donations of a political nature and hence no political donations have been made during the year (2023: none). In addition, the Group does not participate in political lobbying activities, either directly or through intermediaries.

During the Group's normal activities and its participation in the rental industry, the Group is a member of trade associations that do in some cases conduct lobbying campaigns with standardisation or regulatory authorities. The most significant of these trade associations are the American Rental Association ('ARA') in North America and the European Rental Association ('ERA') in the UK. Our total membership fees paid to the ARA, ERA and other trade associations in 2023/24 was \$154,907, including a non tax-exempt portion of \$15,276.

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. This year we held our fifth annual cyber security month. While securing hardware is an important facet of information security, protecting the data on our assets is critical to our success. We have encrypted email for all team members and our Information Security SharePoint site is also available for all team members. For more on cyber security, see page 39.