



RESPONSIBLE BUSINESS REPORT

At the heart of our business and culture is responsibility, to our staff and their families, to our customers, our communities and ultimately to our investors. This has never been more important than now, as we support our colleagues, communities and customers across all our territories during the COVID-19 pandemic. However, this is just an extreme example of how we normally do business every day of the week.

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

We take great pride in always seeking to have a positive impact on our local communities and the environments in which we work. Being active, engaged members of the communities where we operate is enormously important to our staff. Our customers trust us to provide better service than our competitors. Our employees trust us to help keep them safe, reward them well for their efforts and look after them in the most difficult

of circumstances. Investors trust us to deliver good returns throughout the economic cycle, in good times and bad.

Being responsible means many things to many people. However, what is most important to us is the health and safety of our team members and customers, the development of our people, our impact in the communities we serve, minimising our impact on the environment, ensuring that we behave ethically at all times and being cognisant of emerging risks and opportunities for the business. We discuss each of these aspects of our business in detail, assessing why each matters, how we have performed and our objectives. The world is changing and the impact of climate change and other unprecedented events such as the COVID-19 pandemic, require attention and action. Ashtead has a good story to tell on ESG (environmental, social and

governance) with rental being positive for the environment as it leads to the more 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. We have spent time this year reviewing our ESG positioning and enhancing and formalising our strategy. In the coming year we will work on the expansion of our ESG reporting, recognising the recommendations of the Task Force on Climate-Related Financial Disclosures ('TCFD') and the priorities of the UN's Sustainable Development Goals.



BEING RESPONSIBLE IS FUNDAMENTAL TO OUR BUSINESS AND CULTURE

WHAT IS MATERIAL TO US

WHAT WE INCLUDE



Health and safety

Without a good reputation for health and safety our business wouldn't exist.

→ [Page 50](#)

We report on why health and safety is crucial to our success, how we monitor performance, safety initiatives and training, health programmes and our COVID-19 response.



Our people

Our people are the key ingredient that makes our business possible.

→ [Page 56](#)

We report on how we recruit, train, develop, retain and reward the very best people, and ensure a diverse, equal opportunities workforce.



Our communities

Our communities are an extension of our people and their families. We strive to always have a positive impact.

→ [Page 60](#)

We report on how we contribute to our communities through job creation, community initiatives and investment, and emergency response.



The environment

As we grow, so also does our impact on the environment and we want to limit any negative effects as much as possible.

→ [Page 62](#)

We report on how we use resources efficiently, control of hazardous substances, reduction of waste, our greener fleet and our GHG emissions.



Business ethics

We want to be sure we comply with regulations, but most importantly, just do the right thing.

→ [Page 64](#)

We report on maintaining regulatory compliance, our anti-corruption and bribery efforts, our modern slavery and human trafficking policy, training and supply chain sustainability and diversity.



Looking to the future

We look ahead to evaluate future issues so we ensure we can remain a responsible business.

→ [Page 64](#)

We report on how we are evaluating the potential risks and opportunities of climate change, emerging technology and innovation, and potential cyber-security issues.

MONITORING OUR WORK

Monitoring how responsible we are rests with the Group's Board of directors. The Board is assisted in this function by the Group Risk Committee which is chaired by Michael Pratt, our finance director. Other members of the Committee are:

- in relation to North America, the finance director, the head of central operations, the Sunbelt North American board member to whom the risk team reports, the head of safety, health and environment and one of the operational executive vice presidents;
- in relation to the UK, the head of risk management, who has responsibility for the environmental and health and safety team; and
- UK and US counsel.

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

The Group Risk Committee priorities this year included:

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

Next financial year we plan to:

- continue our safety initiatives, focused on serious injury and fatality protocols and driver programmes;
- continue the development of our updated business continuity plans;
- develop a performance management process to replace the existing review system; and
- further review climate-related risks and opportunities.



HEALTH AND SAFETY

HEALTH AND SAFETY IS AT THE FOREFRONT OF EVERYTHING WE DO

Why it matters

Health and safety is fundamental to our culture and it is at the forefront of everything we do. That has been shown dramatically most recently with our COVID-19 response.

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



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

How we monitor performance

We monitor health and safety by the number of reported incidents that occur during our work. We track and analyse all incidents to enable us to identify recurrent issues and implement preventative improvements.



Our incident management system allows us to analyse root causes and track corrective and preventative actions.

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 34).

We continue to develop and improve our incident management system which enables us to manage incidents while allowing us to investigate, analyse root causes and track corrective/preventative actions. This year the US had 1,585 reported incidents relative to an average workforce of 13,946 (2019: 1,520 incidents relative to an average workforce of 12,148), Canada had 190 incidents relative to an average workforce of 1,219 (2019: 170 incidents relative to an average workforce of 880) and the UK had 225 incidents relative to an average workforce of 3,814 (2019: 261 incidents relative to an average workforce of 3,771). For the purposes of our internal tracking, the term incident does not necessarily mean that an employee was hurt or injured. Rather it represents an event that we want to track and report for monitoring and learning purposes under our health and safety management policies.

We continue to focus on timelier reporting of every incident or first aid event that occurs.

Reportable accidents continue to be defined differently in the US, Canada and the UK. Under the different definitions which generally result in more accidents in the US being reportable than in the UK, the US had 211 OSHA (Occupational Safety and Health Administration) recordable accidents (2019: 230 accidents) which, relative to total employee hours worked, gave a Total Incident Rate of 1.10 (2019: 1.31). Canada had 25 OSHA recordable accidents (2019: 35 accidents) which, relative to total employee hours worked, gave a Total Incident Rate of 2.15 (2019: 3.30). In the UK, Sunbelt UK had 15 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) (2019: 17), reportable incidents which, relative to total employee hours worked, gave a RIDDOR reportable rate of 0.19 (2019: 0.22). In order to compare accident rates across the Group, the US and Canada also applied the RIDDOR definition to its accident population which gave a figure this year of 115 RIDDOR reportable accidents in the US and a RIDDOR reportable rate of 0.30 and eight RIDDOR reportable accidents in Canada and a RIDDOR reportable rate of 0.34. We remain committed to continuing to reduce these rates as much as possible.



NEW TEAMMATE ONBOARDING PROGRAMME

We want to make it happen for our customers through every interaction. In order for that to happen, we need an engaged team that delivers exceptional service and solutions every day.

A new teammate onboarding programme was introduced in the US during the year. The goal of the Equip for Success onboarding programme is to equip new teammates with the knowledge and skills they need to safely and effectively contribute to our purpose. Regardless of previous experience, new teammates will not be familiar with all the equipment we offer nor how our branches operate.

So, we are leveraging the peer and manager teaching that happens at our branches and providing tools to make sure each new team member knows what their role is, how to work, and where to go for help when needed.

During this 180-day job-based onboarding programme, we teach new employees through guided on-the-job experience, online coursework and regular discussions with managers. Google Chromebooks were also placed at each of our branches to facilitate a consistent, reliable training experience with Sunbelt University for all teammates, starting with those being onboarded. Managers are also provided with guidance and materials to help them learn how to successfully onboard new teammates.

The Engage for Life programme 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. This will be launched in the UK in 2020/21.

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/jobs where this is applied are loading/unloading, wash bay work, checking equipment in, and technicians repairing or conducting routine maintenance on the equipment;
- the Safety Committee engagement programme, 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 daily with team members. Their role includes truck inspections, facility assessments, training and listening to feedback from our people during our Wellness Visits.

Safety initiatives

The COVID-19 pandemic has tested our health and safety reputation like nothing before. We immediately put in place emergency response procedures and are taking precautionary measures to protect our team members, customers and communities from exposure to the virus. These measures have included:

- implementing equipment and facility cleaning guidelines;
- educating our team members on social distancing at all our stores and in the field;
- moving rental contracts to non-touch digital signatures;
- advising our sales teams to support our customers by phone, video calls, and other digital channels when appropriate;
- pausing classroom-based instructor-led training in lieu of digital training courses;

- restricting business travel and meetings;
- strategically limiting visits to our facilities from vendors and suppliers; and
- implementing curb-side pick-up and drop-off of equipment where possible.

In the absence of travel and face-to-face meetings, we have introduced virtual Wellness visits to discuss local matters, training and the response to COVID-19.

We recognise that everyone must take responsibility for their own safety and the safety of others. In North America we launched our new Engage for Life programme as part of our annual Safety Week. This is about putting safety at the forefront of everything we do.





We strive to strengthen our industry's safety culture and performance by sharing best practices, tools and resources.

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. 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 and the Incident & Injury Free Executive Forum. We are focused on the impact our safe choices have on our team members, their families and the communities in which they live and work. We are united in our commitment to continuously improve our safety culture and send each employee home safe each day.

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 all Sunbelt UK managers undertake the five-day IOSH (Institution of Occupational Safety and Health) Managing safely course.



The UK also monitors near miss incidents in addition to actual incidents and uses this information to adapt our processes to reduce the risk of such events becoming incidents. Where incidents do occur, our procedures ensure we learn and improve our processes. The UK's environmental, health and safety managers operate on a regional basis and visit stores to assist with incidents and perform health and safety inspections.



EMPLOYEE SPOTLIGHT: EMMA CLARKE – FITTER

Before she joined Sunbelt UK, Emma says she had no previous experience in the lifting or construction industry. She had been a hairdresser and teacher trainer for over 10 years, but fancied a change of career. Emma was originally recruited as a driver but her manager and colleagues recognised her interest in repairing and maintaining equipment.

She was given the opportunity to become LEEA (Lifting Equipment Engineers Association) qualified and by the end of that same month, was promoted to become a fully fledged fitter for our FLG Services division which specialises in lifting and safety equipment.



I have been given some fantastic development opportunities and have completed several training courses, as well as obtaining my forklift licence.

"I am now very proud to be FLG's first-ever female fitter and I am responsible for the repair and maintenance of a huge range of specialist equipment," says Emma. "I have gone from glitz and glam when I was a hairdresser, to fixing equipment. It feels amazing when you can follow your interests and make it your daily job. I love fixing things!"

In addition to our launch of the 'Engage for Life' programme, other new safety initiatives during the year included:

- Prioritising new team members who have been on board for fewer than 180 days, who we refer to as short service employees. These are known across all industries to be more likely to be injured than experienced workers. Therefore we are focusing efforts on how to identify and connect with them effectively day to day, to reduce their exposure to any incident.
- We introduced another new safety process last year called the Weekly Safety Lead. Using the Weekly Safety Lead card, a selected team member walks their location and records his or her observations. At the following weekly safety meeting they share their findings. This ensures that in any location, safety is a living, breathing evolving process.
- The UK launched a new safety campaign, Take 5 for Safety, encouraging staff to take a moment to think about their own and others' safety before starting any activity.

Driver and vehicle safety

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

We continue to target ways to reduce our motor vehicle incident rate. Our Driver Behaviour Management System ('DBMS') takes data from our onboard telematics units and communicates it directly to our motor vehicle compliance team with results shared to field operations daily. This helps us control any on-the-road unsafe behaviours and activities. While designed to improve driving behaviour, we also benefit through cost savings due to lower fuel usage, engine and vehicle maintenance and accidents.

In addition to the DBMS, 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.

Last year we focused particularly on ensuring compliance with our driver hands-free policy. We prohibit the handheld use of mobile phones or devices when driving on company business even where this is not enshrined in law.

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.

Health programmes

It is crucial that our workforce is a healthy one and we work hard to look after our people and help them look after themselves. When our staff are on top form, they provide the best service to our customers. Needless to say we have prioritised the health and well-being of our staff and their families during the COVID-19 pandemic. Virgin Health Miles is a programme we use to reward our US staff for healthy behaviour, which incentivises them to track their health and invest in it to reap the programme rewards that we are providing. Staff get savings on their healthcare costs if they do exercise, for example. Some 30% of US staff are currently enrolled in the scheme and 42% of those are earning health miles. Members have earned \$268,000 in rewards and report that the programme makes Sunbelt a better place to work.





Being a responsible business means sharing and promoting our safety culture with our customers and suppliers.

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 aerial 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 50 markets across North America.

Our customer training covers a broad range of topics including:

Operator training:

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

Train the trainer:

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

Scaffolding:

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

For Canada, additional classes include:

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



OUR PEOPLE

OUR PEOPLE ARE DRIVEN, CONSCIENTIOUS AND LOYAL AND WE WORK HARD TO MAINTAIN THAT

Why they matter

A skilled and committed workforce is fundamental to the Group's long-term success and key to this is treating everyone fairly and with respect.

Since the impact of COVID-19 became apparent we have communicated frequently and openly with our team members. We have not made any team members redundant as a result of the impact of COVID-19 and have not sought assistance from government programmes such as the UK's Coronavirus Job Retention Scheme or similar schemes in Canada.

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 35).

In general, the rental industry suffers from high staff turnover, particularly within certain job categories such as mechanics and delivery truck drivers,

with turnover being particularly high within the first two years of employment. We increasingly find our staff targeted by competitors which, whilst a compliment, means we have to work harder to retain them.

In North America, our voluntary staff turnover is 14% (total staff turnover is 19%) with two-thirds of this turnover arising from people with less than two years' experience. Although staff turnover is slightly higher in the UK, the overall picture is similar. Voluntary staff turnover is 16% (total staff turnover is 21%) and around 11% arises from people with less than two years' experience.

Our employees are driven, conscientious and loyal and we work hard to maintain that through market-leading training and development and superior reward and benefits. 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.

Increasingly, as we grow, we add to our employees through acquisition. When we acquire companies, we also acquire their knowledgeable and dedicated staff who have often built up a successful business. To maintain that success, we adopt a circumspect approach when it comes to integrating new staff into the Group. Employees' contracts and conditions are analysed, and if there are differences with Group terms, we phase-in any convergence over a period of time. We want new employees to be engaged with the new environment in which they find themselves, so we hold a presentation day for staff where senior management presents an overview of the Group, our plans for the acquired 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.

Recruitment

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

- Our Co-Op programme 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-in-training 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.

In the UK our 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. We are planning to move towards a more cost-effective and professional direct sourcing model which leverages the Sunbelt UK and divisional brands, and promotes the opportunities that exist across our business.

Military recruitment

In the US we have a long history of being a Top-50 military-friendly employer, but we are no longer satisfied to be one in a pack. By launching a series of high-profile campaigns supporting our veterans, while still upholding our tradition of attending military job fairs, we intend to be a true leader in veteran employment. 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. In 2019 we were named one of the nation's top Military Friendly® Employers by VIQTORY, a service-disabled, veteran-owned small business that connects the military community to civilian employment, as well as providing educational and entrepreneurial opportunities. Our military recruitment campaigns include acknowledging veterans in our current workforce, as well as expanding our work with the Gary Sinise Foundation and participating in media events, such as 'Military Makeover'. With these combined efforts, Sunbelt US is determined to be the employer of choice for military veterans.

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

APPRENTICE JACOB SKELDON

Jacob works as a mechanical engineering apprentice at our PSS HIRE depot in Edinburgh. Jacob is known to always be the first in the depot every day, with his overalls on and ready to start work. He is always keen to learn, picks up new skills exceptionally quickly and his passion for the job is described as second to none. Such is his skill as an engineer that other engineers with 10, 20 or even 30 years' experience in the trade will often go to Jacob to ask him what he thinks is wrong with a machine. Jacob is the perfect example of the kind of high calibre specialist who thrives in 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 52 trainees last year and we plan to recruit a similar number of apprentices in the coming year, as well as setting up an apprenticeships academy. Our apprentice programmes take between one and three years to complete and usually include outside training and a formal NVQ qualification, in addition to on-the-job training. We have six apprentice streams – plant maintenance, customer service, driver, electro technical, mechanical engineering and civil engineering. We are pleased that our efforts to increase diversity mean that 17% of our apprentices are female, which compares very favourably with the 9% female apprentices average for the construction industry. Our apprentice scheme also has an impressive 88% completion rate compared to the industry rate of c. 65%.

Career development and training

Training and development continues throughout the careers of our employees and we have many programmes in place to ensure they achieve their ambitions, reach their potential and remain safe, as outlined above. Employees' welfare and job satisfaction 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.

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

- a technician-in-training programme;
- a paid technician Co-Op programme for trade school students approaching graduation;
- employee surveys;
- a Learning Management System that delivers, tracks and manages all our training online;
- 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; and
- an Executive Leadership Development programme.

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

Last year, in the UK we held over 8,500 employee training days 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 skill-gaps are filled through training. Through this process we can be sure of developing the skills and qualifying the experience of our workforce. To evaluate the effectiveness of our training, we issue all delegates with feedback forms and these are evaluated and actioned as required.

In the early part of the year the UK conducted its first all employee survey 'Your Voice – make a difference'. The principal issues raised related to the vision for the business, communication and collaboration, career progression and reward and a concern that the survey results would not be acted upon. The results of the survey were an important element of regional meetings held during the initial stages of Project Unify and helped shape the strategic vision for the UK business launched at the Manchester conference in March.

As well as classroom based training, all employees in the UK have access to an online learning zone, Academy, facilitating mandatory training as well as offering a range of optional courses.

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

JUMPSTART SALES PROGRAMME

Jumpstart Sales is a 36-week programme through which targeted sales trainees learn all aspects of the business through education, job shadowing, mentoring, and 1-1 coaching by team members at any store. 90 Jumpstart Sales trainees graduated during the year. To date, 98% of all graduates have stayed with the business. The programme covers all aspects of the business starting with yard operations through front-line customer selling. We have also been

able to follow the progress of graduates from earlier cohorts. In three key metrics (rate achievement, jobsite revenue, and fleet on rent), Jumpstart graduates either out-performed or were in close proximity to their peers of the same tenure. We also kicked off a Jumpstart Manager in Training cohort in October 2019. 13 trainees from across the enterprise are currently working through a 12-month development programme. The phases are Get to Know the Rental Industry, Get to Know the Team, Get to Know the Business, Learn to Lead a High Performing Team, and Put it All Together (Final Project).

Reward and benefits

We believe in treating our staff well and rewarding them for the effort they put in on our behalf. We use a combination of competitive fixed pay and attractive incentive programmes to reward and motivate staff and these drive our profits and return on investment. All eligible 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. The Leading Wage programme was adopted initially in the US and rolled out to Canada last year.



98% of all graduates have stayed with the business.



CASE STUDY MILITARY RECRUITMENT

The staff at the Jacksonville, N.C., location includes six Marine Corps and Army veterans who have a combined military service of nearly 100 years. (L-R) Andrew Raynor, Billy Hurley, Ferlin McClanahan, Steven McNeill, Michael Cuntapay and Michael Plummer.

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. The Sunbelt Rentals, Inc., 401(k) Retirement Savings Plan leads the way in employee participation, with an astounding 96% enrolment rate. Similarly, in the UK, 98% of employees participate in the Group's pension arrangements. Our employees are excited to be here, and we want to help them prepare for their future, whatever it holds.

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

In addition to their core benefits, including pension and life assurance arrangements, we have an employee assistance helpline which offers free confidential support and advice to those in need. We also have other benefits such as Virgin Health Miles to promote good health amongst our employees. In the UK we have introduced 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.

Diversity and equal opportunities

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

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

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

WORKFORCE BY GENDER

Number of employees	Male	Female	Female %
Board directors	5	3	38%
Senior management	31	4	11%
All staff	17,347	1,943	10%

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

	Pay gap
Sunbelt US	5%
Sunbelt UK	4%
Sunbelt Canada	11%



COMMUNITIES ARE CRUCIAL TO OUR WORK

Why they matter

Playing a big role in our local communities is crucial to our work in all our markets. 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 those communities increases as we grow.

We have a big social impact on the communities where we work through the provision of sustainable local jobs. It is crucial to us that we recruit locally when we can. 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. This has never been more important than during the COVID-19 pandemic and you can read more about our response on page 16.

Our staff feel great pride in providing a service for their community so everyone benefits. Our business is about helping people and getting things done. It is about finding solutions, especially when there has been an emergency or a disaster like a major flood or a hurricane. Contributing to the communities where we operate is an important differentiating factor for Ashted staff, as well as being attractive to new recruits.

Community initiatives

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

Our stores regularly support and participate in local charity events and community service. For example, we provide support to many community sporting events. We also continue to work closely with our designated charitable 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.

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

AMERICAN RED CROSS

Sunbelt and the American Red Cross share a passion for assisting with relief efforts in times of need. On top of financial donations to the Red Cross, we send equipment and support to disaster-affected areas throughout the US to aid in relief efforts.



CASE STUDY 100-MILE CHALLENGE

Darryl Harwood of our UK Power Solutions business completed a 100-mile bike ride to raise funds for the Terrence Higgins Trust. Darryl completed the Prudential Ride London–Surrey 100-mile challenge which was introduced by the Mayor of London to encourage more people to cycle more safely. Celebrating the legacy for cycling created by the London 2012 Olympic and Paralympic Games, the race started at 5.45am in Queen Elizabeth Olympic Park, then followed a 100-mile route on closed roads through the capital and into Surrey's countryside.



GARY SINISE FOUNDATION

We have entered the fifth year of our partnership with the Gary Sinise Foundation ('the Foundation'), which honours military veterans and their families through the implementation of unique programmes designed to entertain, educate, inspire, strengthen and build communities. Sunbelt's commitment to community and veteran support led to our connection with the Foundation and its R.I.S.E. (Restoring Independence, Supporting Empowerment) service, which builds 100% mortgage-free specially adapted custom smart homes for severely wounded heroes and their families so they may gain more independence in their daily lives. Through this partnership, Sunbelt supplies tools and equipment to the contractors on each of the home builds at no charge, donates a portion of rental proceeds from uniquely branded Gary Sinise Foundation equipment, and also implements various localised fundraising efforts.

In 2020, Sunbelt expanded its partnership focus to also provide assistance to the Foundation's Snowball Express and First Responders Outreach programmes. Through these efforts, the Foundation serves the children of fallen military heroes and aids critical funding for emergency relief, training and essential equipment of America's firefighters, police departments and EMTs, respectively. In 2019 we contributed more than \$1m to the Foundation. We aim to bring heightened awareness to the Foundation's work through continued fundraising and outreach initiatives to help positively impact the lives of veterans, defenders, and their families.



In 2019 we contributed more than \$1m to the Foundation.



THE ENVIRONMENT



WE AIM TO LIMIT OUR IMPACT ON THE ENVIRONMENT

Why it matters

We work to ensure any impact we have on the environment is a positive one. We are committed to providing the very latest and low and even zero carbon equipment available. For example, in the UK, we recently invested in the industry's first fully electric excavator. Focusing on environmental impact helps assist our customers who are increasingly seeking ways to reduce their carbon footprint and enables us to reduce our impact and costs. It also helps our staff feel good about where they work and helps to build good relationships with the communities around our stores.

Our commitment to improving energy performance 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 environmental performance by looking at the management of:

- fuel usage;
- electric and gas usage;
- waste in all its forms;
- recycling of equipment;
- telematics on the fleet where possible; and
- driver training to ensure environmental efficiency.

We provide more environmentally friendly equipment when possible such as:

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

We also seek to lead through innovation and industry events such as our Hydrogen Energy Summit held last autumn.

Initiatives

We continue to make fleet efficiency gains in the UK. The Fleet Operator Recognition Scheme ('FORS') is an accreditation scheme that aims to improve vehicle fleet activity throughout the UK. The over-arching scheme encompasses all aspects of safety, fuel efficiency, economical operation and vehicle emissions. All Sunbelt UK locations, except for recently acquired ones, are FORS accredited with 165 locations accredited to Gold level. All locations are accredited, with new locations having to become accredited, to ensure we meet all legislative requirements, as well as helping to minimise our environmental impact and operate efficiently.

BUILDING A MORE ENERGY EFFICIENT FLEET

With an investment totalling £350,000, we purchased a new fleet of 10 JCB 19C-1E mini excavators in the UK which counts as JCB's largest order to date of the new electric machines. The 1.5-tonne machine uses leading-edge automotive battery technology, delivering all of the performance of a conventional excavator with a significant reduction in noise and zero exhaust emissions. Designed to meet a growing need for low carbon construction equipment, the new fleet will allow contractors to work inside buildings, in emission and noise-sensitive inner city areas and in tunnels or underground, without having to install expensive exhaust extraction equipment. The machine works indoors as easily as it does outdoors and produces the same output as its diesel counterpart.

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

We also help our customers work in more environmentally friendly ways. Our containment berms enable chemical spills to be collected and stored safely until they can be transported away. We provide solar-powered light towers which provide light for up to 60 hours before they need a charge, to allow work to continue after dark without carbon emissions. Our ground protection helps minimise the environmental impact of foot and vehicle traffic, creating a buffer that, being washable, unlike wooden mats which can absorb mould and contaminants, is also safely transferable.

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

- telematics to monitor vehicle idling and driving efficiency;
- speed limiting devices on all 3-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; and
- improved design to increase fuel efficiency of the delivery and service fleet.

We continue to invest in 'greener' equipment whenever we can and where it makes economic sense, sometimes also driven by customer demand. In addition to Tier 4 engine requirements, where we can we purchase other more environmentally efficient equipment for a wide range of different applications. Customers can also opt to use less toxic biodegradable hydraulic oil for use in equipment operated in sensitive areas, for example. We also have industry-leading availability of natural gas generators and hybrid light towers.

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

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

Greenhouse gas emissions

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

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

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 2019, as well as the US Environmental Protection Agency.

In the UK, we collect data from all Scope 1 and 2 vendors and hence, there is no estimation involved. In the US 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 2020, approximately 8% of the Sunbelt North American emissions balance was estimated.

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

	2020	2019
Emissions intensity ratio – emissions per employee (tCO ₂ e/FTE)	17.5	18.1

GREENHOUSE GAS EMISSIONS

		2020		2019	
		UK	Total	UK	Total
Scope 1	tCO ₂ e/year*	31,646	296,128	32,357	265,319
Scope 2	tCO ₂ e/year*	2,856	36,399	3,082	38,415
Total	tCO ₂ e/year*	34,502	332,527	35,439	303,734
Energy consumption used to calculate emissions					
	mWh	143,055	1,303,858	143,708	1,176,238

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

CASE STUDY LEADING THE DEBATE – UK HYDROGEN ENERGY SUMMIT

In autumn 2019 we invited industry experts, suppliers and partners to a Hydrogen Energy Summit to tackle the growing demand for renewable fuel sources. The workshop took place in partnership with Intelligent Energy at Loughborough University and aimed to focus on how hydrogen can be developed as a sustainable fuel replacement for diesel. Hydrogen fuel cell powered products are increasingly gaining traction as a viable alternative to diesel generators, particularly in the UK construction industry, as they are zero emission, operate quietly and offer scalable power. The workshop brought together representatives from some of the industry's key operators, with the aim of working together to find solutions to bring products and services to market. The event combined a series of presentations, product demonstrations and discussions as well as a tour of Intelligent Energy's facilities which showcased its commercially available fuel cell product range.

CASE STUDY ECO-FRIENDLY ACCOMMODATION UNITS

Our UK accommodation business has expanded its range of eco-friendly welfare units with a £2m investment with Boss Cabins. Forming part of our ongoing commitment to deliver a greener fleet, the new eco-units range from 12ft to 16ft. The cabins are 100% corrosion resistant and are constructed from high-grade stainless steel. With a minimum lifespan of 25 years, 90% of the materials used can be recycled at the end of the unit's life. They also offer a 16% increase in occupancy, as they can accommodate seven people instead of the industry standard of six. Fitted with a unique and clever eco-electric system that prioritises energy output, the cabins incorporate a smart system that only uses energy when it is needed, therefore reducing daily running costs. They also offer users a 33% average reduction in generator usage.



BUSINESS ETHICS

Our commitment to the highest ethical standards means that the Group Risk Committee works to ensure these continue to be communicated and upheld throughout the business. 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. During the year we updated the Group's modern slavery and human trafficking policy, business ethics and conduct policy and ethical sourcing policy. 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 2020/21 being the next year of training, while in the UK, it is undertaken annually. 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.



LOOKING TO THE FUTURE

The COVID-19 pandemic has brought it home to the world like never before just how important it is to be aware of what may happen in the future when both planning for the future and ensuring that we remain a responsible business. We have always planned for the future due to the cyclical nature of the business as we discuss elsewhere in this report. We are no different from any other business with topics such as climate change, emerging technology and innovations and the threat of cyber-attack affecting our business.

Climate change

Like any other business, climate change has the potential to impact ours greatly. For example, adverse weather events or natural disasters could negatively impact economies and disrupt our business day-to-day. However, unlike many other companies, climate change is as much an opportunity for Ashtead as a risk. This is predominantly because of two issues. Firstly, as regulations change requiring greater use of lower carbon technologies and also as companies voluntarily choose to use more environmentally friendly equipment, it is still much more efficient for them to rent that equipment from us rather than buying it themselves. So climate change will continue to drive the trend 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 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.

In accordance with the recommendations from the Task Force For Climate-related Financial Disclosures ('TCFD'), we will be examining in more detail the specific risks and opportunities to the business posed by climate change and expect to report on this in more detail in the future.

Emerging technology and innovation

We are already at the forefront of technological innovation in the rental industry and intend to maintain that position. Our online CommandCenter, also available as an app, allows customers to organise and track equipment rented, at any time of the day or night. Our online monitoring and reporting mechanisms drive efficiency for both ourselves and our customers. Having the right technology and applying it quickly to evolving markets and scenarios is a big competitive advantage for us. For example, we have been able to immediately put in place automated curb-side pickup of some of our equipment to facilitate social distancing during the COVID-19 pandemic.

Cyber security

As the world continues to move online, even more so because of COVID-19, 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 cybersecurity vulnerabilities and working to ensure business continuity under all potential scenarios. For more on cyber security risk see page 37.