

RESPONSIBLE BUSINESS REPORT

BEING RESPONSIBLE IS PART OF OUR DNA

We are passionate about our people, the environment and the communities in which we live and work, but responding to the COVID-19 pandemic has brought our innate sense of responsibility to the fore more than at any other time and how we have responded is a natural extension of how we do business every day. We care deeply about making the best impact possible on all our stakeholders and we are proud of the impact we have had in helping our people, customers, suppliers and communities through this most difficult of times.

In April 2021, we announced our new strategic plan, Sunbelt 3.0, and for the first time our ESG priorities are embedded in our strategy. While these priorities have long been important components of how we work, we are ensuring that we are transparent about the targets we want to achieve. Ultimately our ESG efforts enable us to deliver on our promises and expand the trust that makes our business tick; trust that the equipment we provide will arrive on time and do what we say it will; trust that it will be well maintained and compliant with all health and safety requirements; trust that we are endeavouring to source the most environmentally friendly equipment as we can; trust that everyone involved in the rental process has been treated fairly, kept safe and well-rewarded; trust that we are not just taking from the communities in which we find ourselves, but are giving back real social value that can be measured.

BEING A RESPONSIBLE BUSINESS

Our goal is for our responsible business plan to be transparent, challenging and beneficial to everyone with which we interact. We have analysed our commitments into four key areas: the environment; our communities; our people; and governance. Following an analysis of what is material to the

business in each of these areas, we have then divided each area into individual segments which focus on the specific commitments we are making. In this Responsible business report we focus on the environmental, social and corporate behaviour aspects of our work. More detail on governance can be found in our Corporate governance report on commencing on page 78.

The world is changing and the impact of technological advancements, climate change and unprecedented events such as the COVID-19 pandemic require ever greater attention and action. As part of Sunbelt 3.0, we are reinforcing ESG at the heart of how we operate, while unlocking the structural benefits ESG will bring to rental.

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

As we look to formalise our ESG objectives, we are also cognisant of the ways the Group can help advance the United Nations ('UN') Sustainable Development Goals ('SDGs'). In doing so, we have identified the eight goals which we believe we can make the most contribution to through our focus on recruitment and training, focus on diversity and inclusion, the development of our products and management of our operations.





In embedding our ESG priorities into our new strategic plan, we recognise the recommendations of the Task Force on Climate-Related Financial Disclosures ('TCFD') as well as the priorities of the UN SDGs. We are committed to meeting the TCFD recommendations in full by 2022 and have outlined on page 69 our achievements to date and where ongoing work remains.

Our commitment to ESG is clear and we intend to expand further on the areas detailed in this Responsible business report within our first Sustainability report, which will be published by

April 2022. Here we will map the Group's activities and metrics to existing reporting frameworks such as the Sustainability Accounting Standards Board ('SASB') and Global Reporting Initiative ('GRI') standards, in addition to setting out our road map to science-based targets. We have engaged The Carbon Trust to assist in this process.

HOW WE MONITOR OUR WORK

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

Included on the Group Risk Committee is the Group's managing director of ESG, a new role for the Group and one which demonstrates the increased profile of our ESG priorities going forward.

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

OUR PEOPLE



HEALTH AND SAFETY

Health and safety is the backbone of our business and culture. COVID-19 has highlighted that more than ever. A strong reputation for excellent health and safety is a significant competitive advantage for us. In addition, an ever-changing regulatory focus on safety and more stringent requirements for all operators continues to assist our growth. It is more efficient to outsource responsibility for equipment safety to us than for customers to manage it themselves. This has been one important factor in the shift to rental that has underpinned our growth in North America and which has reinforced our position in the UK.

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

safety standards, as well as providing health and safety advice and materials along with each rental.

How we monitor performance

We monitor health and safety by the number of reported incidents that occur during our work. We track and analyse all incidents and 'near misses' to enable us to identify recurrent issues and implement preventative improvements. The importance of health and safety is reflected in the fact that the number of reportable accidents is one of our group-wide KPIs (see page 33).

We continue to develop and improve our incident management system which enables us to manage incidents while allowing us to investigate, analyse root causes and track corrective/preventative actions. The tracking and reporting of

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

This year the US had 1,459 reported incidents relative to an average workforce of 13,526 (2020: 1,585 incidents relative to an average workforce of 13,946), Canada had 239 incidents relative to an average workforce of 1,409 (2020: 190 incidents relative to an average workforce of 1,219) and the UK had 192 incidents relative to an average workforce of 3,725 (2020: 225 incidents relative to an average workforce of 3,814). 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

01 RECORDABLE ACCIDENTS

		2021		2020	
		OSHA	RIDDOR	OSHA	RIDDOR
US	Recordable accidents	194	114	211	115
	Incident rate	1.07	0.31	1.10	0.30
Canada	Recordable accidents	29	8	25	8
	Incident rate	2.12	0.29	2.15	0.34
UK	Recordable accidents	n/a	21	n/a	15
	Incident rate	n/a	0.27	n/a	0.19

EMPLOYEE SPOTLIGHT

Douglas McLuckie has been with the Group for 14 years and has a background in strategic risk management and governance having previously been the head of risk management for Sunbelt UK. He brings a wealth of experience in showcasing the benefits associated with sustainability and the circular economy, of which our business is a prime illustration. He is responsible for the on-going development, execution and reporting of the Group's ESG strategy. Douglas was the founding Chairman of the European Rental Association (ERA) sustainability committee where he co-authored a 'Framework for good practice relating to sustainability in the rental industry'.



Douglas McLuckie
Managing
Director of ESG



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

We remain committed to continuing to reduce these rates as much as possible and continue to see progress across the businesses. However in the UK, the recordable accidents and incident rate has been impacted in the current year by the inclusion of four historical industrial disease cases relating to the UK trackway business.

Safety initiatives

COVID-19 has tested our excellent health and safety reputation and reinforced it massively. Operationally, we have changed the way we work to ensure our team members remained protected while continuing to work across our store network, ensuring we met the needs

of our customers and communities. Aligning with government guidance and recommendations, we enhanced equipment and facility cleaning protocols, installed barriers to ensure social distancing in our stores and implemented curbside service to reduce customer traffic in our locations. We created additional training and videos for our teams related to face coverings and respirators, proper removal and disposal of gloves, and disinfecting equipment. Like most organisations, we removed all but essential travel and stopped international travel, and moved online for meetings and training, etc.

In the absence of travel and face-to-face meetings, we introduced virtual Wellness visits to discuss local matters, training and the response to COVID-19 to ensure we maintained dialogue with our team members and could respond in an agile manner to employee feedback.

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



As well as our COVID-19 protocols, we have core safety processes across all our stores. In North America these include:

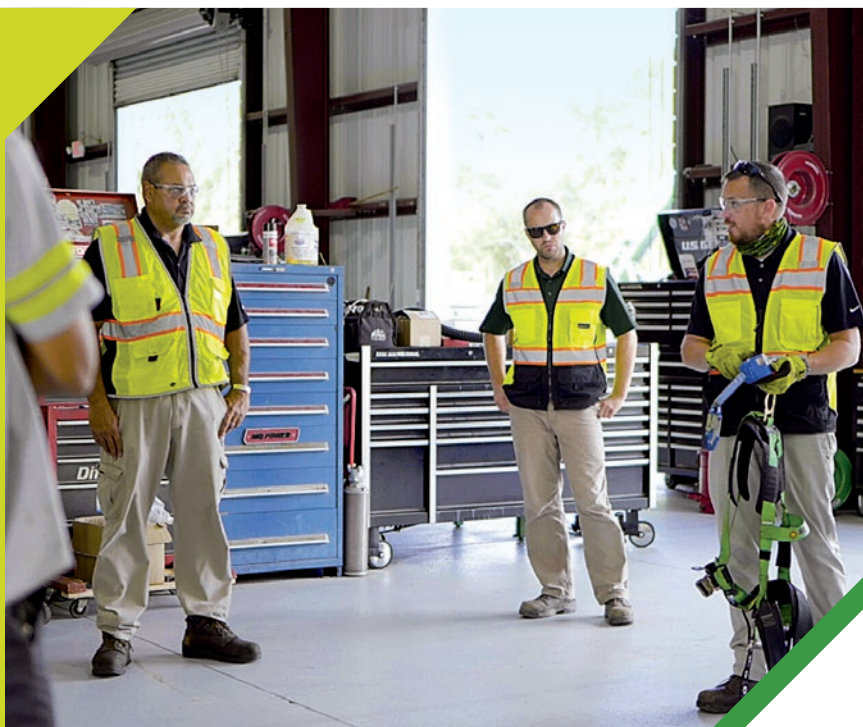
- the near miss programme, which provides insights into our exposures across our businesses;
- the pre-task planning programme ('Take 10 Programme'), which requires everyone to take at least 10 seconds to think through the job they are about to do using a pre-task planning checklist. Examples of tasks/jobs 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 on a daily basis with team members. Their role includes truck inspections, facility assessments, training and listening to feedback from our people during our Wellness visits.

HEALTH, SAFETY AND ENVIRONMENT WEEK

We continued with our tradition of holding an internal Health, Safety and Environment Week ('HSE week') albeit we adapted our activities in light of COVID-19 restrictions using a combination of activities in-store and online videos and other communications.

In the US, we used this opportunity to continue our efforts in eliminating or reducing safety incidents. Our focus on Stuff That Can Hurt ('STCH') is aimed at reducing soft tissue, or ergonomic-related injuries. We also used Safety Week 2020 to highlight learning as an organisation.

In the UK, HSE week included a 'Search for a Safety Hero' from each business unit in order to promote safety value champions across the business.



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, and continued this under COVID-19, designed to increase awareness of the importance of safety across the business.

Similar safety processes operate in the UK. We run the Work Safe Home Safe campaign to ensure staff also take responsibility for their own safety and Sunbelt UK managers undertake the five-day IOSH ('Institution of Occupational Safety and Health') Managing Safely course.



Other new safety initiatives during the year included:

- in the US we introduced a programme designed to provide safety knowledge and skills at our stores specifically for our Safety Coordinators and Branch Managers. We started with classes to prepare our store leaders to take an examination to become Safety Trained Supervisors ('STS'). Our goal is to have at least one STS at each and every one of our stores;

- we began piloting cameras in our delivery and service vehicles, a programme we call RITA, or Road Intelligence Transportation Assistant. RITA assists our drivers with real-time feedback on behaviours that could lead to vehicle incidents. It also provides an opportunity to reinforce positive actions and recognise our drivers for a job well done; and
- in the UK, we highlighted the importance of thinking 'ACE' – Awareness, Communication, Exclusion zone – during our health, safety and environment week, demonstrating that by simply being aware of the environment, communicating with team members or pedestrians and creating a safe exclusion zone, accidents can be avoided.

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.

Driver and vehicle safety

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

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

In addition 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. We also train our drivers in defensive driving.

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

We drive over 310m miles each year, so giving our drivers the solid training on defensive driving principles is critical to having safe outcomes on the road.

Working on safety with our customers and suppliers

Being a responsible business means sharing and promoting our safety culture with our customers and suppliers whenever possible. For example, we have dedicated aerial work platform, forklift and earth moving operator trainers who train customers and we offer customised training programmes to fulfil 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 and have 18 accredited training centres in the UK.

Our customer training covers a broad range of topics including:

Operator training

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

Train the trainer

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

Scaffolding

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

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

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

VEHICLE TECHNOLOGY SUPPORTING SAFETY

We will be equipping all Class 8 trucks in North America with the collision mitigation technology often available in personal vehicles, with the first vehicles entering our fleet during 2021. A Class 8 truck is a vehicle with a gross weight vehicle rating exceeding 33,000lbs. In our fleet, these include HGVs, or tractor-trailers, as well as some rollback vehicles. The safety system is designed to try and prevent a collision or decrease its severity in the moments before it occurs, using a forward collision warning system, adaptive cruise control, lane departure warning system and/or an automatic braking system.





HUMAN CAPITAL

Labour management

We know that a skilled and committed workforce is fundamental to our success. Our labour management policies are designed to ensure we take the very best care of our people. For example, we took decisions very early on in the COVID-19 pandemic to prioritise our employees, ensuring that we were able to continue treating everyone fairly and with respect. We made clear our absolute commitment to them and quickly communicated that we would not make any team members redundant or put them on furlough. That immediately removed any job-related fear and allowed them to carry on doing the very best they always do for our customers and communities.

As we grow, we add employees both through direct recruitment and acquisition. When we acquire companies, we also acquire their knowledgeable and dedicated staff who have often built up a successful business. To maintain that success, we adopt a circumspect approach when it comes to integrating new staff into the Group to ensure new team members are engaged with the business and the Group benefits from their experience and dedication. We want new employees to be engaged with the new environment in which they find themselves, so we hold a presentation day for staff where senior management presents an overview of the Group, our plans for the acquired business and how they fit into our strategy for the future. We then demonstrate further our

commitment to our new employees by investing in the business they helped build. Furthermore, integrating these new employees into our health and safety programmes contributes to enhanced health and safety within the rental industry.

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.

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

- a technician-in-training programme;
- a paid technician Co-Op programme for trade school students approaching graduation;
- employee surveys;
- 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.

Carl Pierce
Senior Trainer



EMPLOYEE SPOTLIGHT

Carl Pierce has a passion for helping others succeed, and for Sunbelt Rentals. Over the course of his 25-year career, he has been able to influence and help develop talented leaders across the organisation. After serving 10 years in the United States Air Force, Carl joined the Sunbelt Rentals team in Greer, South Carolina and progressed quickly from Inside Sales Representative to Branch Manager. With a desire to share his knowledge and experience, he joined the Talent Development and Education team as an Operations Leadership Trainer two years ago and has worked tirelessly to develop Sunbelt's front-line leaders and help them grow their careers. In his new role as Senior Trainer, Operations Leadership, Carl is responsible for leading the effort to strengthen the Sunbelt culture, build core leadership skills, and improve operational processes through people development.

In the UK we held over 9,000 employee training days last year through a wide range of courses. In order to identify training needs when recruiting, we have developed a series of competence forms and adopted the OSAT (On Site Assessment and Training) programme. Each employee has their skills mapped against the qualification framework through assessment and any 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. Because of COVID-19, the majority of our usually classroom-based training was conducted online.

JUMPSTART MANAGER IN TRAINING PROGRAMME

The 52-week Manager in Training programme in North America exposes future leaders to our company culture, the cohesive functions of a store team, and the skills and responsibilities required by a store manager. The trainees work side-by-side with store managers to understand the rental industry by:

- building leadership skills through structured interactions to gain valuable insight about teams they will lead;
- participating in guided on-the-job experiences;
- interacting with others through mentoring and social learning;
- completing stretch assignments and special projects; and
- attending formal learning events.

We have a similar programme for sales staff. This year's cohort attended a virtual graduation.

Reward and benefits

We use a combination of competitive fixed pay and attractive incentive programmes to reward and motivate staff and these drive our profits and return on investment. All eligible Sunbelt UK employees are paid the Living Wage (as recommended by The Living Wage Foundation) and Sunbelt UK is an accredited Living Wage Employer. In North America we adopted a Leading Wage to ensure all employees are paid an hourly rate in excess of the state and federal recommended rates.

We provide a comprehensive package of benefits ensuring they represent affordable and smart choices for employees. Each benefit offering has been designed to work with another, providing a financial safety net that serves those employees in need, as well as providing us all with a proper sense of security. In the US we offer robust and comprehensive medical coverage and, despite the growing costs of healthcare, member contribution rates were not increased. By continuing to promote wellness, we intend to maintain a fair and balanced health plan that is considered one of the best in our industry. Our retirement plans are well received with a 95% enrolment rate in our US 401(k) plan and 92% of UK employees participating in the pension plan. Our employees are excited to be here, and we want to help them prepare for their future, whatever it holds.

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

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

SPECIAL BENEFIT PROVISIONS UNDER COVID-19

To assist, reassure and thank our people for their efforts during COVID-19, \$14m in appreciation bonuses was paid to 12,500 US, UK and Canadian skilled trade team members.

We implemented additional paid time off for employees dealing with the consequences of COVID-19.

As part of this policy we made the following payments:

- paid \$7m to c. 5,700 team members for 300,000+ hours in North America; and
- paid £4m+ to c. 2,300 team members in the UK.

Staff turnover

We endeavour to hire the best people, train them well and look after them so they provide the best possible service for our customers. Our aim is to keep employee turnover as low as possible to enable us to build on the skill base we have established. This is core to the success of the business and our competitive position and therefore staff turnover is one of our KPIs (see page 33).

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

In North America, our voluntary staff turnover is 14% (total staff turnover is 18%) with two-thirds of this turnover arising from people with less than two years' service. Although staff turnover is slightly lower in the UK, the overall picture is similar. Voluntary staff turnover is 12% (total staff turnover is 17%) and around half of voluntary staff turnover 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.

Employee satisfaction

Getting ongoing feedback on how our staff are feeling and then making any changes necessary, is crucial to maintaining a happy and fulfilled workforce. We pride ourselves on having a strong culture, with a strong sense of

purpose amongst our team members who take their responsibilities to assist customers and communities seriously. There is also a strong sense of pride in a job well done such as when we are helping people get back to normal after a natural disaster. Last year we held our first North American-wide employee survey, Express Yourself, following on from the success of our first UK survey the previous year. We were delighted with the results, which showed a high degree of employee satisfaction even given the very difficult circumstances our staff were having to deal with both personally and at work.



In North America, the Express Yourself survey received a remarkable 88% participation rate with an 89% engagement score. In the UK, participation in this year’s survey was 72% with an 80% engagement rating. Key findings were that the majority of team members reported a sense of pride, would recommend Sunbelt to family, that their managers care about safety and that they trust their manager to do a good job. We are analysing all the results from the survey and taking action accordingly. We plan to associate all action taken specifically with the survey to reinforce that we have listened and are taking action directly as a result of staff feedback.



Cheryl Black
Senior Vice
President,
Culture and
Engagement

EMPLOYEE SPOTLIGHT

As part of our programme to reinforce and develop further our ESG efforts, we have sought to place even greater emphasis on diversity and inclusion. Cheryl Black is our new Senior Vice President of Culture and Engagement. She has been with Sunbelt for 21 years, starting out in payroll, working on the integration of numerous acquisitions and building the HR team from 20 to 150. Cheryl will lead our new Diversity and Inclusion Task Force, initially focusing on the US and Canada, and then also joining up with our efforts in the UK. She is passionate about ensuring the workplace remains inclusive for all so that we can continue to attract and retain the best talent.



IF THEY CAN DO IT, SO CAN !!

As part of our efforts to publicise the opportunities available to women and other under-represented groups within our business, we have begun to promote images and interviews with role models within our organisation, in order to produce a culture of 'if they can do it, so can I!'. An example of this was our activities in connection with International Women's Day 2021, where we engaged with the call to #ChooseToChallenge, and created a fun video showing the range and diversity of women in the business, from apprentices to directors.



SOCIAL OPPORTUNITIES

Diversity

Providing equal opportunities for all our staff is a priority 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.



DIVERSITY & INCLUSION

In the current year, we have sought to reinforce our diversity focus through the establishment of a Diversity and Inclusion Task Force in North America, drawing from a diverse group of 14 team members across the organisation to design and implement a new diversity and inclusion strategy. We had over 300 applicants for this important initiative which reflects our collective desire for a more engaging and empowered workplace when it comes to diversity and inclusion. It is being headed up by Cheryl Black, our new Senior Vice President of Culture and Engagement.

In the UK, we have set up a similar group as part of 'Let's Talk Belonging' with Equality, Diversity and Inclusion ambassadors from across the UK taking part in forums to explore the concept of 'belonging' and what this means on a day-to-day basis. Subsequent to this, we have engaged with an external third party in order to carry out a full assessment on our approach to equality, diversity and inclusion.

In the US we are required by law to monitor ethnicity in our workforce and we maintain a diverse workforce with 28% of the US workforce identifying themselves as being non-white. We also gather ethnicity data as part of

the recruitment process in the UK and monitor our diversity. We are committed to providing opportunities for people from all ethnic groups and in both geographies we have good representation from ethnic minorities across the organisation. The Group continued a group-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 are also working to increase gender diversity at all levels of the business. However, our workforce as a whole reflects the nature of our business, the industry in which we operate and the markets we serve with just 10% of the Group's workforce being female. A significant proportion of our workforce are fitter engineers and HGV drivers, virtually all of whom have been male historically. Therefore, while across our workforce we seek to promote increasing proportions of women in the business, and we have seen success in some areas of our business such as within professional functions, sales and customer service, we recognise that some roles have historically attracted fewer women.

02 WORKFORCE BY GENDER

	Male	Female	Female %
Board directors	5	3	38%
Senior management	29	6	17%
All staff	16,847	1,985	11%

03 PAY GAP

	Pay gap
US	3%
UK	5%
Canada	7%

Nevertheless, whilst our industry has traditionally had many more men than women, we do have women at all levels of the Group, from the Board to store level. While three members of our Board (38%) 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 at the very top of our executive functions.

We will continue to prioritise recruiting the best people for every role and are working to make it easier for more women to join the organisation,

particularly as we expand. We believe that in doing so, we will move towards achieving a greater level of women's representation across our Company at all levels starting from the grass roots of our organisation.

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

Ashted pays men and women the same for the same role with the actual remuneration being based on their skills, experience and performance. As a result of our mix of employees and the roles they undertake, the average pay of men and women differs across the business. Summarised in Table 03 to the left, is the amount by which average pay for men exceeds that for women.

Employee wellbeing

We believe in treating our staff well and rewarding them for the effort they put in on our behalf. It is crucial that our workforce is a healthy one and we work hard to look after our people and help them look after themselves. When our staff are on top form, they provide the best service to our customers. We are also there to help when they find themselves in difficulties.

Needless to say we have prioritised the health and well-being of our staff and their families during the COVID-19 pandemic. We set up a daily screening app in North America that required employees to evaluate their exposure risk prior to coming to work.



We have shielded vulnerable team members, adapted our environments to become COVID-19 secure and adjusted working patterns to ensure we have still been able to deliver for our customers as an essential services provider, without compromising anybody's health. At the end of February 2021 we launched our own mobile and permanent lateral flow testing units in the UK.

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

LET'S TALK MENTAL HEALTH

The 'Let's Talk' wellbeing programme started in 2020, announcing our first wellbeing initiatives for our team members. We started with 'Let's Talk Mental Health', where we advertised for 60 volunteers to undertake a two-day professional Mental Health First Aider England course ('MHFA England'). We were thrilled with the response with over 200 people offering to get involved. The training of 60 team members took place and once lockdown restrictions lift we will be holding more. We also felt the third lockdown was particularly tough on UK team members. In January 2021, it was cold, dark and wet, and more difficult to be motivated to take time to get into the fresh air. We wanted team members to know #ItsOkToNotBeOk and so the senior team wrote and recorded a video, empowering people to take breaks and know we encouraged them to look after their mental health. As part of the UK Health, Safety and Environment week we created another video, introducing our newly trained Mental Health First Aiders.

EMPLOYEE SPOTLIGHT

Alyssa Billings has been in the construction industry for over 12 years and currently leads a General Tool store in Fife, Washington as well as being a member of our Diversity and Inclusion Task Force. When Alyssa was at college she began working for a small flooring company and quickly found that she enjoyed many aspects of construction and decided to remain in the industry after graduating. At Sunbelt, Alyssa enjoys partnering with contractors and seeing our work create or transform buildings whilst promoting safety and building her team.



Alyssa Billings
Branch Manager

ENVIRONMENT

Protecting the environment has always been an important element of how we work. But we have not talked about what we do as much as we could. That is all changing with our new strategic plan, Sunbelt 3.0, because we have added our goal to lead by way of ESG as one of our five actionable components to enhance transparency regarding our commitments and achievements. Our biggest commitment in this area is to decrease our carbon intensity by 35% by the year 2030, with a shorter-term goal to reduce our carbon intensity by 15% by 2024.

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

We are committed to providing the very latest, low and even zero carbon emissions equipment available. We also increasingly help our customers work in more environmentally friendly ways. For example, through the provision of battery powered generators to serve as temporary back-up power. 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.



INVESTING IN GREEN TECHNOLOGY FOR OUR CUSTOMERS

Network Rail's High Output ('HO') operations keep the UK railways running, carrying out 70% of track renewal work in a 24-hour cycle, from getting the systems ready in their compounds, to preparing the track by removing lineside equipment, starting up the machines and bringing back used materials. Work is carried out all through the night, both at the compounds and on the track. We worked with Network Rail to source suitable solutions to provide more environmentally friendly lighting equipment. The team identified the TL55 Solar, the UK's first solar lighting tower. It represents an eco-breakthrough in solar powered mobile lighting. With both battery and mains supply, it provides up to 500 hours run time from the battery, or indefinite run time on solar power. These towers are now fully operational at the HO sites, providing powerful lighting to enable the teams to carry out their work safely, whilst emitting zero emissions and operating silently, reducing noise disturbance levels. As they do not use fuel, the lighting towers also bring a significant reduction in operating costs. We now have the largest available UK fleet of Prolectric solar lighting towers.

We already offer the most comprehensive range of green equipment available in the market but we are committed to working closely with all our suppliers to help them develop the most environmentally sustainable equipment that we can then buy. 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.

Focusing on environmental impact helps assist our customers who are increasingly seeking ways to reduce their own 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. We are leading the rental industry through innovation and industry events such as our ground-breaking Sunfest, a virtual UK rental industry trade show hosted by us and focusing on sustainability which was held for the first time in 2020.



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 affect economies and disrupt our business day-to-day. However, unlike many other companies, climate change is more of an opportunity for Ashtead than a risk.

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

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

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

We provide more environmentally friendly equipment when possible such as:

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

Greenhouse gas emissions

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

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

In order to calculate the GHG emissions and total energy consumption in mWh, we have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020, as well as the US Environmental Protection Agency.

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 2021, approximately 8% of the Sunbelt North American emissions balance was estimated.

We have historically opted not to report Scope 3 emissions due to the difficulty in gathering accurate and reliable information. We are now embarking on a project with The Carbon Trust to identify and measure our Scope 3 emissions so we can monitor these and report on them in the future. The majority of these arise through our customers' use of our equipment on their sites and projects and the embedded carbon in our supply chain.

While we are focused on reducing our carbon emissions, they are likely to increase as we grow until technological advancements reduce reliance on the diesel engine. Thus, at this stage, our key performance metric is carbon intensity as we look to mitigate our environmental impact. Our level of GHG emissions varies with our activity levels which are reflected in our revenue levels. Accordingly, we have concluded that the most appropriate intensity ratio for Ashtead is revenue

intensity. Our intensity metric is therefore an indication of emissions per millions of pounds of revenue (tCO₂e/£m).

	2021	2020
Emissions intensity ratio – emissions per £m of revenue (tCO ₂ e/£m)	64.3	66.1

The majority of our revenue is in US dollars and so the reported ratio is affected by the exchange rate. On a constant currency basis ('using this year's exchange rates'), our intensity ratio has reduced from 68.5 to 64.3.



WASTE

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

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

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

We monitor and manage our water consumption. We work to ensure that process water is collected (and treated as required) and disposed of appropriately.

We are working to set specific goals for the reduction of waste to landfill and water usage.

04 GREENHOUSE GAS EMISSIONS

		2021		2020	
		UK	Total	UK	Total
Scope 1	tCO ₂ e/year*	30,610	288,438	31,646	296,128
Scope 2	tCO ₂ e/year*	2,409	30,532	2,856	36,399
Total	tCO ₂ e/year*	33,019	318,970	34,502	332,527
Energy consumption used to calculate emissions	mWh	139,912	1,266,179	143,055	1,303,858

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

INVESTING IN GREENER FLEET

We have a wide-ranging 'green' rental fleet and are always investing in greener equipment, including:

Wacker Neuson electric dumper – This emission-free dumper is the ideal choice for material handling support, especially in built-up areas where exhaust or noise emissions can be an issue. Four-wheel drive and articulated joints mean it is very stable for work on uneven or steep terrain.

JCB electric excavator – This has exactly the same structure, canopy, dig end, hydraulics and controls as the diesel model and performs in exactly the same way. The only difference is that it is battery powered, producing zero CO₂ emissions, needing zero fossil fuel and creating zero noise.

Hybrid and electric articulating boom lifts – These are far more economical than a standard model, using an electric motor and battery technology for zero emissions and no noise.



ENVIRONMENTAL OPPORTUNITIES

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

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

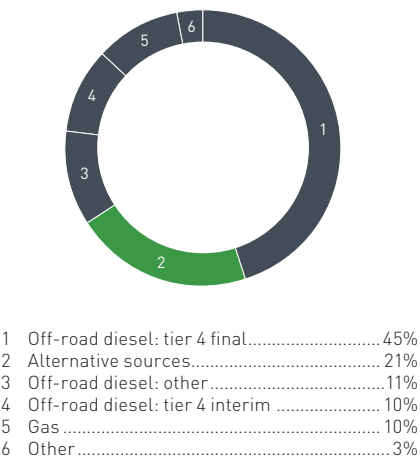
Secondly, the more extreme weather events associated with climate change lead to the kind of damage and clean-up operations in which we are highly experienced. Our disaster response capability is one of the specialty areas in which we truly excel and are well known. While not linked directly to climate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

Fleet composition

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

The chart below shows the composition of our fleet today, with c. 20% being alternative sources consisting of battery, electric, hydraulic, solar or hybrid technology and we expect this to increase going forward as alternative technologies become available. Even today, our second largest category of fleet is electric scissor lifts.

GROUP FLEET COMPOSITION



Alternative fuels

We are building partnerships with suppliers to introduce alternative energy and fuel solutions for our customers. HVO (hydrotreated vegetable oil) fuel is manufactured from 100% renewable and sustainable waste, ethically sourced and derived from raw materials. HVO is a 'drop in' fuel that can replace diesel with no changes required to the engine or operational infrastructure. It is legal for road and non-road use and offers significant reductions in noxious exhaust emissions. We launched this alternative fuel to our UK customers hiring equipment with combustion engines, which would normally have burnt fossil-fuel-based red diesel.

HVO has been proven to create a 90% reduction in net carbon emissions (CO₂e) on-site. Several of our UK national customers have already made the switch.

Company vehicles

Driving over 310m miles a year delivering and servicing equipment and serving customers means that any steps we take to reduce the environmental impact of our vehicle fleet are important. Additional vehicle efficiency steps taken include the use of:

- telematics on vehicles to monitor engine idling and driving efficiency;
- a telematics dashboard to enable tracking of fuel usage and CO₂ emissions by location and individual asset, enabling better operational and cost saving decisions;
- speed limiting devices on all three-axle vehicles in the US, resulting in fuel savings and increased safety;
- technology to optimise delivery routes;
- tyre pressure monitors to optimise fuel efficiency;

- fuel efficient tyres and tyre inflation systems to reduce rolling resistance in the US;
- improved design to increase fuel efficiency of the delivery and service fleet; and
- reducing exhaust emissions.

We also continue to make fleet efficiency gains. The Fleet Operator Recognition Scheme is an accreditation scheme that aims to improve vehicle fleet activity throughout the UK. The overarching scheme encompasses all aspects of safety, fuel efficiency, economical operation and vehicle emissions, with the UK having successfully retained its Gold status for the fifth year running covering 147 of its depots.



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

- we offer eco-site solutions and co-located on-site facilities, to keep equipment and expertise as close to projects as possible, minimising trips to and from our depots to replenish plant and equipment;
- we hire smart energy management systems to help customers optimise energy consumption;
- we are committed to developing our 'site of the future' offering. Today we can already build eco-site solutions, powered and lit by solar and hybrid equipment, operating electric plant and tools;
- over the past two years we have invested over £20m in the UK alone and our current vehicle fleet comprises 382 HGVs (67% already Euro 6 compliant) and 1,382 LCVs, (50% already Euro 6 compliant);
- our planned transport replacement plan will ensure that the entire UK fleet is Euro 6 compliant by mid-2022; and
- within three years we will convert all new orders for light duty fleet to nearly 100% environmentally responsible vehicles in the US.

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

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD')

In line with our focus on ESG, we have provided the following disclosure to demonstrate our progress with regard to the recommendations of the TCFD. We are committed to meeting the TCFD recommendations in full and will report these in our 2022 Annual Report.

Governance

The Board is ultimately responsible for the progress made against our strategic ESG objectives with Brendan Horgan, the Group's chief executive, leading initiatives in the business on a day-to-day basis.

The Board, in maintaining its responsibility, is assisted in this function by the Group Risk Committee. Michael Pratt, the Group's chief financial officer, is the Chair of the Risk Committee.

Further information on the governance mechanisms in place around climate-related objectives can be found on page 55.

Strategy and risk management

The inclusion of ESG as a core part of our Sunbelt 3.0 strategy demonstrates the importance of climate-related risks and opportunities on the Group's business.

The process for identifying, assessing and managing climate-related risks is the same for all principal risks and is described on page 34. As part of our risk assessment process, we define short-term as up to three years, medium-term as three to five years and long-term as greater than five years.

We have identified environmental matters, including climate-related risks, as part of the principal risks affecting the Group over the short, medium and long-term.

The shift to a low carbon economy brings about changing customer expectations and the need to comply with those laws and regulations governing environmental protection. Specifically for the Group, our current fleet composition is significantly reliant on diesel engines which we will replace over time as alternative fuel sources become available.

Climate-related matters also present significant opportunities for the Group as discussed on pages 68 and 69. For example, responding to the increased severity and frequency of extreme weather events such as hurricanes places a significant demand on emergency response teams.

Metrics and targets

Our main KPI associated with environmental risk is that of carbon intensity. Performance in the current year and progress compared to the prior year can be found on page 33. We will also introduce metrics and targets during the next financial year to monitor and measure our impact in relation to waste and water usage.

Our Scope 1 and 2 GHG emissions are disclosed on page 67 and we are working with The Carbon Trust to map the Group's Scope 3 emissions.

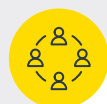
When launching our Sunbelt 3.0 strategy, we committed to reducing carbon intensity by 35% by 2030. In achieving this target we set out a roadmap covering:

- **Near-term:** including greener vehicle transition and route optimisation/dynamic telematics;
- **Medium-term:** step changes on vehicle procurement and renewable energy generation; and
- **Long-term:** migration to alternative energy sources.

The work with The Carbon Trust will enable the Group to develop science-based targets.

OUR COMMUNITIES

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



COMMUNITY ENGAGEMENT

Working with local charities is important to us. We also have a huge impact on both our own communities and those further afield through our disaster relief work with communities in distress from a wide range of factors. We are a first responder when it comes to natural disasters, restoring communities and conducting massive clean-up operations after storms and floods, for example. Our community first responder participation has never been more important than during the COVID-19 pandemic, and you can read more about our response, including our involvement in setting up testing and vaccination sites on page 11.

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

The following are some examples of our engagement with communities in the US and Canada during the year, with similar examples across the UK.

HABITAT FOR HUMANITY

Habitat for Humanity is a not-for-profit organisation that helps families build and improve affordable housing. This is the first year we have partnered with the organisation in Canada, providing \$2,500 to each of 10 different build sites in four different provinces in in-kind equipment rental. The organisation believes that affordable housing plays a critical role in strong and stable communities.

TEXAS STATE UNIVERSITY

We are working with Texas State University to provide scholarships for both veterans and students from under-represented minorities. We provide a general programme discretionary fund and sponsorship of student organisations. We also donated two forklift rentals, one when its agriculture programme's forklift needed repair and the other to support its regional COVID-19 Collection Station development project. One of our employees, Sheyla Meza, did an internship with our help at Texas State and then went through our Jumpstart programme.



RECRUITMENT

With our continued rapid growth, recruiting new employees is of the utmost importance. Our recruitment efforts are not only focused on finding the right employees and communicating the benefits of working for Sunbelt, but bringing awareness and excitement about the opportunities we provide. Our focus is on improving and standardising our

recruitment and onboarding processes to reduce the level of turnover in the first two years. To aid these efforts we have a number of programmes including:

- our US Co-Op programme which provides an entry point for trade school students to apply knowledge and skills learnt 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 – this programme identifies top talent out of college and the military and places them through an accelerated training programme; and
- our UK careers website allows prospective employees to apply online and enables us to manage the whole recruitment process internally, from posting of vacancies through interviews and offer/unsuccessful letters. Users are able to sign-up for job alerts in specific regions or divisions and internal reporting is both detailed and tailored.

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 14 trainees this year and we plan to recruit a similar number of apprentices in the coming year. Our apprentice programmes take between one and three years to complete and usually include outside training and a formal NVQ qualification, in addition to on-the-job training. We have six apprentice streams – plant maintenance, customer service, driver, electro technical, mechanical engineering and civil engineering. Our apprentice scheme also has an impressive 90% completion rate compared to the industry rate of c. 65%.



EMPLOYEE SPOTLIGHT

UK APPRENTICE CASE STUDY

Wilbert Fields is an apprentice driver working as part of the North West transport team. He differs from many of our apprentices who tend to join us after school or in the early years of their career. Wilbert is 58 years of age and joined the apprenticeship scheme to fulfil his ambition to embark on a career as a HGV driver. He is a superb employee to have in the transport team due to his versatility, as he drives a number of different vehicles for us. Wilbert is completing a LGV (large goods vehicle) driver apprenticeship and as a mature apprentice, has brought a valuable skill set to the business.

Wilbert Fields
Apprentice Driver

Walking With The Wounded

Our UK and US businesses are now working together on our veteran recruitment strategy, pooling our collective experience and resources. In the UK we also began strategic recruitment with Walking With The Wounded, working with their network of employment advisers across the UK. We are already receiving great feedback on this initiative:

"I am delighted that a veteran being supported by Walking With The Wounded has been accepted for one of your Traffic Management roles. He is beside himself and couldn't be more grateful for the opportunity." Walking With The Wounded Employment Adviser, March 2021

"X was successful at the second interview. Please pass my thanks on to the team, they have gone above and beyond to support him. He was living on the streets until 2020, I can't explain how grateful he is to have been given this opportunity." Walking With The Wounded Employment Adviser, March 2021

We know we are making a huge difference to these veterans who likewise make a huge difference to our business with their experience and dedication.

Military recruitment

In the US we have been designated as 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 2020, 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.



CHARITIES

Gary Sinise Foundation

As Sunbelt Rentals in the US continues its commitment to veteran and community support, we are thrilled to enter the sixth year of our partnership with the Gary Sinise Foundation ('the Foundation'), which honours America's defenders, military veterans, first responders, their families and those in need. The Foundation does this through the creation and implementation of unique programmes designed to entertain, educate, inspire, strengthen and build communities.

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

We supply the necessary equipment for each of the R.I.S.E. programme's projects to the contractors working on the home builds, at no charge. We also donate a portion of rental proceeds from co-branded Gary Sinise Foundation equipment and organise various localised

fundraising efforts. In 2020 we contributed more than \$1.2m in monetary and in-kind equipment donations to the Foundation. Our goal is to bring heightened awareness to the Foundation's work through continued fundraising and outreach initiatives in an effort to help positively impact the lives of veterans, defenders, and first responders.

American Red Cross

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

UK charity partners

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

The Prince's Trust supports 11-30 year olds who are unemployed, struggling at school and at risk of exclusion, in or leaving care, facing issues such as homelessness or mental health problems, or who have been in trouble with the law.

Teach First recruits and trains teachers, placing them in schools in low-income communities. Not only are we providing valuable funding to Teach First, the charity's teachers and pupils in partner schools also have the chance to work with Sunbelt UK volunteers across our business.

CRASH is the construction industry's charity that helps homelessness and hospice organisations with their construction projects. 2020 represented the 10th year in which we have been a Patron of the charity throughout which our expertise and products have helped a number of homelessness and hospice projects.



GOVERNANCE



CORPORATE BEHAVIOUR

Business ethics

Our commitment to the highest ethical standards means that the Group Risk Committee works to ensure these are communicated and upheld throughout the business. We believe in the rights of individuals and take our responsibilities to all our employees seriously and those who may be affected by our activities. During the year we updated the Group's modern slavery and human trafficking policy, business ethics and conduct policy and ethical sourcing policy, all of which are available on the Group's website. These policies form part of our way of doing business and are embedded in our operations. They are also communicated directly to employees through dedicated communication and training programmes. While we do not manage human rights matters separately, we continue to assess potential risks and do not believe they raise particular issues for the business.

Ethics training

Senior employees across the Group receive regular business ethics training to ensure they are aware of their obligations and responsibilities with regard to competing fairly, the UK Bribery Act and, in the US, the Foreign Corrupt

Practices Act. This takes place every two years in North America with 2020/21 being a 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.

In the UK, the Group has entered into a partnership with the Slave-Free Alliance in order to strengthen further the actions taken in relation to the risks of modern slavery. Specifically in the coming year, the UK will work with the Slave-Free

Alliance to review its approach to addressing the risk of modern slavery in its supply chain. If appropriate, this partnership may be broadened to encompass the Group's businesses in North America.

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 cyber security vulnerabilities and working to ensure business continuity under all potential scenarios. For more on the cyber security risk, see page 36.

CYBER SECURITY MONTH

November 2020 saw the annual 'cyber security month' within the Group in order to highlight the importance of cyber security both in the workplace and at home. Various campaigns were run throughout the month including the importance of password protections, how to spot and report potential phishing attacks and how to keep 'cyber safe' at home. This underpinned further training and communications to employees, reinforced by phishing campaigns.

BEING A RESPONSIBLE BUSINESS

At the outset of this report, we highlighted that being responsible is part of our DNA.

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

As we have discussed earlier, we believe that rental is essential to environmental progress as it enables a more efficient use

of assets across organisations. Within this report, we have set out some of our specific actions across each area of ESG. These examples are only a few of many ongoing activities across the Group and we will continue to challenge ourselves through investing in new ways of doing things, innovative use of technology and through working with our suppliers, customers and employees to develop new solutions. These initiatives provide us with the confidence to Lead with ESG through:

- reducing our carbon intensity by 35% by 2030;
- ensuring a commitment to health and safety;
- enhancing our employee engagement and diversity and inclusion;

- ensuring pay and benefits reflect our market-leading position; and
- ensuring continued strong governance and stakeholder engagement.

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

