EUROPEAN
RENTAL
ASSOCIATION

SUSTAINABILITY KPIs 2.0

Guidance Framework

OVERVIEW

The Sustainability KPI framework covers the following eight areas:

1. People
2. Health and Safety
3. Training
4. Environment
5. Supply Chain
6. Anti-Corruption and Bribery
7. Circularity
8. Other

Each area has colour coded KPIs as follows:

Should implement and report against KPI as a **minimum**
Should implement and report against KPI as **good practice**
Should implement and report against KPI as **best practice**

A tabular summary of the KPIs is below.

People
1. Employee engagement / satisfaction
2. Employee voluntary turnover
3. % of workforce women
4. % managers women
5. Sick leave
6. % of employees permanently employed
7. Number of nationalities employed
8. % of employees under 25
9. % of employees over 50
10. Gender pay gap
11. Disability / disadvantaged employment %
12. Time given to employees for volunteering
13. Legal proceedings on human rights

Health and Safety
1. Number of accidents as measured by Lost Time Incident Rate (LTIR)
2. Share of operations covered by OHSAS 18001 or similar (relative to sales)
3. Safety offering as a % of sales

Training
1. % of employees receiving training
2. Number of external individuals participating in safety training

Environment
1. Electric powered/low emission units in fleet
2. Reduction in carbon emissions
3. Reduction in waste
4. Number of branches ISO 14001 certified
5. Water consumption per € unit turnover
6. Third party rating
7. Legal proceedings – environment
8. Environmental incident / near miss

Supply chain
1. % of suppliers signing up to sustainable supply chain Code of Conduct
2. % of suppliers assessed on CSR

Anti-Corruption and Bribery
1. % of employees signing the business code of conduct
2. % employees receiving business ethics/CoC training annually
3. Violations of corruption or bribery

Circularity
1. % of equipment recycled by unit
2. % of waste recycled by weight

Other
1. Fleet operator recognition scheme (FORS or local equivalent) certification per location

The following provides detail on each KPI for each section, with worked examples of how to calculate and report against each KPI described in this report.

The framework is to be adapted and adopted as required by rental companies.

SECTION 1 - PEOPLE

People
1. Employee engagement / satisfaction
2. Employee voluntary turnover
3. % of workforce women
4. % managers women
5. Sick leave
6. % of employees permanently employed
7. Number of nationalities employed
8. % of employees under 25
9. % of employees over 50
10. Gender pay gap
11. Disability / disadvantaged employment %
12. Time given to employees for volunteering
13. Legal proceedings on human rights

MINIMUM RECOMMENDED KPIS

### People KPI 1: Employee engagement / employee satisfaction

As a minimum, this measure can be based on an annual staff engagement survey covering all staff.

The survey should investigate the behaviours or feelings of an engaged employee. These questions typically measure perceptions of organisational pride, intent to stay and advocacy.

These items don't identify specific actions. Instead, they identify targets that organisations should maintain or improve.

Survey questions should determine levels of employee engagement and commonly ask employees to rate their opinions of key engagement drivers such as:

- Teamwork
- Trust in leadership and co-workers
- Career development
- Communication and change management
- Confidence in the future
- Individual needs like pay
- Value and recognition
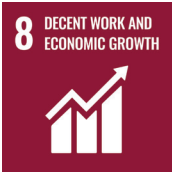
All the above drivers impact engagement, but some make a bigger footprint than others. Ensure the survey covers a variety of topics that can impact employee engagement. Drivers help organisations understand what impacts engagement so they can put the right programmes in place to improve.

The key aspect of the measure is to set a target and track progress towards the target via an annual survey.

Case study – Ramirent annual report:

Employee value

- Great place to work
- Salaries 118 MEUR
- Continuous development opportunities
- Leadership index 74.8%
- Engagement index 83.9%
- LTIFR 8.1
- Diversity and non-discrimination

Driving employee engagement

Employee engagement was one of our focus areas in 2018. We implemented concrete actions in our everyday work: Both Group and segment management spent a lot of time visiting customer centers, hubs and offices to discuss and listen to our employees. After successfully co-creating the "Our way to lead" behaviors, we continued our journey by co-creating new values, mission and vision. Employees in all levels of organisation contributed to the process.

One of our goals is to increase the number of female employees, as their share in rental business is relatively low, compared to many other industries. Particularly in Norway, we have focused on finding women to work for Ramirent and show that the equipment rental industry is also well suited for women. We are part of the Female Future network in Norway.

The actions taken were visible in RamiEar employee survey results. Not only the Leadership index but also the Engagement index improved from already high level of the previous survey and exceeded the Global high-performance general norm.

RAMIRENT
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All our managers received feedback on their leadership capabilities in our annual RamiEar employee survey conducted in November. The investment in leadership was visible in the results. A clear improvement in Leadership index took us to the Global high-performance general norm.

A linked KPI is the leadership index which is a measure of how well managers are managing or leading in the organisation. **This can be included as part of the annual employee survey, again as demonstrated by Ramirent.**

EXAMPLE CALCULATION

Undertake an annual staff satisfaction survey covering staff satisfaction in areas such as:

- Teamwork
- Trust in leadership and co-workers
- Career development
- Communication and change management
- Confidence in the future
- Individual needs like pay
- Value and recognition

All the above drivers impact engagement, some make a bigger footprint than others. Ensure your survey covers a variety of topics that can impact employee engagement. Drivers help organisations understand what impacts engagement so they can put the right programmes in place to improve.

The result of the survey should be an overall % of staff satisfaction, across the areas being surveyed.

- The first year sets a baseline for staff satisfaction. This should be expressed as a % - for example, staff overall satisfaction was 76% in year x. This figure being arrived at by summing the average satisfaction in each area by the number of areas reviewed

- You should also set a target for improvement, this being a % achieved over a time period. In this example the target could be an increase in staff satisfaction to 80% within two years

- You should report progress over time, for example year 1 – average staff satisfaction was 76%, year 2 = 78%, year 3 = 80%, year 4 = 84%

People KPI 2: Employee voluntary turnover

To calculate the voluntary employee turnover, divide the number of employees that voluntarily left the business by the average number of employees. (The average number of employees is calculated by taking the number of employees at the beginning of the reporting period, adding the number of employees at the end of the reporting period, and dividing by 2).
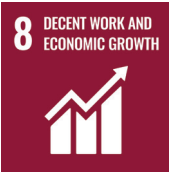
[number of employees that left voluntarily / average number of employees x 100]   = voluntary turnover rate

Case study - Ashtead Group Annual Report:

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

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

EXAMPLE CALCULATION

If your business had 1,000 employees at the start of the reporting period and 25 left voluntarily but you recruited 15 new employees, you would have 990 employees at the end of the reporting period, and a figure of 995 as the average number of employees in the period:

(1000 + 990) / 2 = 995

You would take 25 / 995 x 100 = 2.5% to calculate the employee voluntary turnover.

This figure represents the **employee voluntary turnover rate** for the business.

GOOD PRACTICE KPIS

People KPI 3: % of workforce women

To calculate the % of workforce women, divide the average number of female employees by the average number of total employees (male and female).

[number of employees that are women / total number of employees x 100]   = % of workforce women

EXAMPLE CALCULATION

If your business had an average of 1,000 employees over the year and on average 100 are female: **100 / 1,000 x 100 = 10%**

This figure represents the **% of the workforce that are women** for the business.

People KPI 4: % of managers women

To calculate the % of management that are female, divide the average number of female managers by the average number of total managers (male and female).

[average number of female managers / average number of managers x 100]   = % of managers women

Case study - Ashtead Group Annual Report:

02 WORKFORCE BY GENDER

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

EXAMPLE CALCULATION

if your business has an average of 200 managers over the year and on average 10 are female: **10 / 200 x 100 = 5%**

This figure represents the **% of managers that are women** for the business.

People KPI 5: Sick leave / sickness rate

To calculate the sickness rate, calculate the total number of days that should have been worked (or hours for variable hours employees). Then, calculate the total number of days/hours lost to sickness absence. Divide the number of days/hours lost by the number that should have been worked. Multiply this result by 100 to calculate a sickness absence percentage.
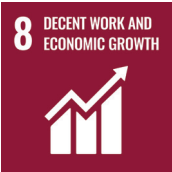
> [number of sick days (or hours) / number of intended work days (or hours) x 100] = % sickness absence

Case study - Riwal Corporate Social Responsibility Report:

| KPI	Goal	Result
LTI (Lost Time Injury)	< 5	5.8
Accidents	Zero	71
Near misses	> 500	1073
Sickness rate	< 3%	1.9%
New OHSAS 18001 certifications in countries	3	3
Maturity score	2.6	3.2

EXAMPLE CALCULATION

If your workforce worked 20,000 days (100 workers working 200 days each after holiday) and you had 100 days lost to sickness across the workforce over the year, your sickness rate would be: **100 / 20000 x 100 = 0.5%**

BEST PRACTICE KPIS

People KPI 6: % of employees permanently employed

Permanent employees work for an employer and are paid directly by that employer. Permanent employees do not have a predetermined end date of employment. In addition to their salary, they often receive benefits like subsidised health care, paid holidays, sick time or contributions to a retirement plan.
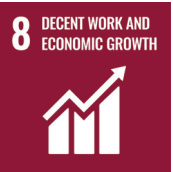
To calculate the % of employees that are permanently employed, divide the average number of permanent workers by the average number of total workers in the business, (permanent plus contract plus temporary labour) and multiply by 100. This gives the **% of permanently employed workers**.

> [number of permanent workers / number of total workers x 100] = % permanently employed

Case study - Loxam CSR report:

CSR TARGETS	2015	2016	2017	2018
> 90% permanent employment contracts	97%	97%	96%	96%

2018 remarks
We have constantly met our percentage target for long-term jobs since 2015. It should be noted that out of the 4% not in a permanent contract, three quarters are block release trainees, another lever of our policy focusing on younger generations. Therefore, only 1% of the workforce is on a fixed term contract.

EXAMPLE CALCULATION

If you have 500 permanent employees employed during the year, and 50 temporary employees, your % of employees permanently employed would be: **50 / 550 x 100 = 91%**

People KPI 7: Number of nationalities employed

The number of nationalities employed is an indicator of diversity within your workforce. It is expressed in an absolute number.

10 REDUCED INEQUALITIES

Case study - Loxam CSR report:

CSR TARGETS	2015	2016	2017	2018
> 20 nationalities	31	31	34	41

2018 remarks
We are very pleased to note that the number of nationalities present in Loxam in France has risen once again. The number is not an end in itself; it is more importantly proof that our approach to become more open to diversity is now a reality and a true strength for Loxam. In 2018 we welcomed new employees from foreign countries, some of which are experiencing hardship: Syria, Benin, Brazil, Gabon, Mauritania, Guinea.

EXAMPLE CALCULATION

For example, you have employees of five different nationalities in your workforce, including your native nationality, the number of nationalities employed is 5.

People KPI 8: % employees under 25

To calculate the % of workers employed under 25, divide the average number of workers under the age of 25 by the average number of workers in the business and multiply by 100.

10 REDUCED INEQUALITIES

[number of workers under 25 / total number of workers x 100]   = % workers under 25

Case study - Loxam CSR report:

CSR TARGETS	2015	2016	2017	2018
> 5% employees under 25	4.8%	6.0%	7.2%	7.6%

2018 remarks
Each year since 2015 we have increased the number of young people at Loxam. And for the first time this year, 20% of Loxam's new hires were of young people under 25, for most of whom it was their first job.

EXAMPLE CALCULATION

If, over the course of the year, you had 50 workers who were under the age of 25 and 450 who were 25 or over, your % of workers under 25 is: **50 / 500 x 100 = 10%**

People KPI 9: % employees over 50

To calculate the % of workers employed over 50, divide the average number of workers over the age of 50 by the average number of workers in the business and multiply by 100.

10 REDUCED INEQUALITIES

[number of workers over 50 / total number of workers x 100]   = % workers over 50

Case study - Loxam CSR report:

CSR TARGETS	2015	2016	2017	2018
> 20% employees over 50	22%	23%	23%	24%

2018 remarks

Our efforts to help young people into work have not come at the expense of older employees. Indeed, we even increased our percentage of senior employees at Loxam. There are two reasons for this: we maintain our senior employees in the firm until retirement age and we continue to hire people over 50 (more than 75 new hires on permanent work contracts this year).

EXAMPLE CALCULATION

If, over the course of the year, you had 75 workers who were 50 years or over and 450 who were under the age of 50, your % of workers over 50 is: **75 / 525 x 100 = 14.3%**

People KPI 10: Gender pay gap

The gender pay gap is calculated by totalling the wages of all male employees and dividing the figure by the total number of male employees to get the average male pay. Undertake the same calculation for female employees to get the average female pay. The pay gap is the % difference between the two averages, which is reported as a percentage based on the lower average wage.

You can also report the wage gap by quartile. In this case, take all employees and calculate the wage gap (as detailed above) for the top quartile (top 25%) of earners, the bottom quartile (bottom 25%) and the middle two quartiles.

[(average male employee wage - average female employee wage) / average female employee wage x 100] = gender pay gap

Case study - Ashtead Group Annual Report:

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%

EXAMPLE CALCULATION

You employ 1,000 staff, of which 350 are female and 650 male.

Your total wage bill for all male staff is €17,550,000. The average pay for males is therefore €17,550,000/650 = €27,000.

Your total wage bill for female staff is €8,750,000. The average pay for females is therefore €8,750,000/350 = €25,000.

The difference between the two averages is €2,000. The pay gap is: **€2,000 / €25,000 x 100 = 8%**

In this example, men are paid on average 8% more than women in this company, this is your gender pay gap.

People KPI 11: Disability / disadvantaged employment %

To calculate the disability / disadvantaged (or other special focus segment of society, e.g. military veterans) employment %, divide the average number of workers who are registered disabled by the average number of workers in the business and multiply by 100.

[number of registered disabled workers / total number of employees x 100] = % disabled or disadvantaged workers

Case study - Ashtead Group Sustainability Report:

RECOGNISED FOR RECRUITING EX-MILITARY

Around 9% of our workforce in the US is ex-military and this is a number we want to grow by being an employer of choice for military veterans.

We have been recognised twice for our approach to recruiting veterans. In North America we are a top Military-Friendly Employer and in the UK we were awarded the gold Armed Forces Covenant for military recruitment.

EXAMPLE CALCULATION

If, over the course of the year, you had 5 workers who were registered disabled and a total workforce of 525 (including the registered disabled workers), your disability employment % is: **5 / 525 x 100 = 0.95%**

People KPI 12: Time given to employees for volunteering

This is an absolute number of the time given to employees for volunteering.
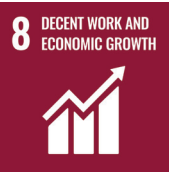
Case study - Ashtead Group Sustainability Report:

GIVING TIME AND SKILLS

Employee volunteering is a direct way we can support communities with the valuable skills of our workforce. We have enhanced and unified our volunteering policy across the Group to allow all employees two days of paid volunteering each year. Wherever possible we link volunteering opportunities to areas where we can create social value, such as mentoring, skills development, training and education, and jobs and employability.

Ashtead group

2 days

Ashtead allows all employees two days' paid volunteering each year

EXAMPLE CALCULATION

The figure is a simple description of the time given to employees for volunteering activity, this can be a total figure, i.e. x days over the year across the workforce, or a % of total available working time (before volunteering activity) or another measure such as x days per month.

People KPI 13: Legal proceedings on human rights

This refers to the number of lawsuits relating to human rights. The figure is a simple sum of all lawsuits received by the company and is an indicator of an effective approach to ensuring human rights are observed within the organisation.
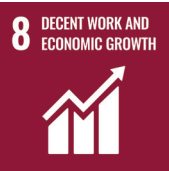
Case study - Cramo Cramo Sustainability and Non-Financial Information report:

RESPECT FOR HUMAN RIGHTS

The protection of human rights is fundamental for Cramo. Through the Code of Conduct, Cramo takes a clear stand against all forms of discrimination and harassment as well as against forced or compulsory labour. The Code of Conduct also declares the right to safe and healthy workplaces and the right of all Cramo's employees to form and join trade unions of their choice and to bargain collectively and individually. The Supplier Code of Conduct covers matters such as safe and healthy workplaces, discrimination, forced or compulsory labour, child labour, precarious employment, fair remuneration as well as freedom of association and the right to collective bargaining.

CRAMO
PART OF **Boels** RENTAL

EXAMPLE CALCULATION

If no lawsuits were received by the company in the reporting year, the KPI would be zero.

KPIS WITH IMPLICATIONS FOR RESPECT FOR HUMAN RIGHTS

KPI	Target	Outcome 2017
Number of lawsuits (human rights)*	0 lawsuits (human rights)	0

*Lawsuits regarding discrimination are included.

SECTION 2 - HEALTH AND SAFETY

Health and Safety
1. Number of accidents as measured by Lost Time Incident Rate (LTIR)
2. Share of operations covered by OHSAS 18001 or similar (relative to sales)
3. Safety offering as a % of sales

MINIMUM RECOMMENDED KPIS

Health and Safety KPI 1: Number of accidents at work, recommended measure is lost time incident rate (LTIR)

The first and most critical measure within the scope of health and safety or accident-related incidents that have occurred in a reporting period (usually annually).
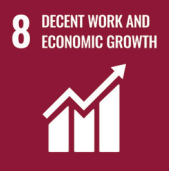
The measure of number of accidents is best expressed as an absolute number, i.e. the number of incidents.

In certain jurisdictions, there is a statutory requirement for employers, the self-employed and people in control of work premises (the Responsible Person) to report certain serious workplace accidents, occupational diseases and specified dangerous occurrences (near misses).

For example, in the UK this is covered by the RIDDOR regulations – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

For the purposes of an EU and industry-wide approach, our research indicates that the most common measure in this area is the Lost Time Incident Rate or LTIR, this reports against the number of incidents that lead to lost time at work.

In terms of reporting, you should set a target, often zero lost time incidents, or a reduction on last year's actual, and then report the number of occurrences.

Lost time is an accident or incident that affects an employee's ability to work. The gravity or severity of the injury is not calculated in this metric. The metric is only concerned with the number of injuries, not the amount of time lost due to each injury or other contributing details.

Accidents that happen 'off the clock' that affect an employee's ability to work will not be counted in this metric.

Case study - Cramo Sustainability and Non-Financial Information report:

KPIS WITH IMPLICATIONS FOR SOCIAL AND EMPLOYEE MATTERS

CRAMO
PART OF **Boels** RENTAL

KPI	Target	Outcome 2017
Number of individuals participating in external safety training	10% increase per year from 2018	9,895 individuals
Share of countries (excluding countries with less than 3 depots) providing external safety training	100% by 2020	78%
Number of lawsuits (health and safety)	0 lawsuits (health and safety)	0
LTIR (work related accidents)	<5 by 2020	9.9
Share of operations (relative sales) covered by OHSAS 18001 or similar	All operations covered by OHSAS 18001 or similar by 2020	63% (relative sales)
Training days/employee	3 days of training per employee (on average) by 2020	1.75
Share of female employees within the operational organisation[1]	>15% by 2020	10%
Share of female managers	>15% by 2020	14%

1   Administrative HQ functions are excluded.

Case study - Riwal Corporate Social Responsibility Report:

RIWAL

| KPI	Goal	Result
LTI (Lost Time Injury)	< 5	5.8
Accidents	Zero	71
Near misses	> 500	1073
Sickness rate	< 3%	1.9%
New OHSAS 18001 certifications in countries	3	3
Maturity score	2.6	3.2

EXAMPLE CALCULATION

The measure is the actual number of lost time injuries. If there have been 5 lost time injuries in the year, you report 5 lost time injuries.

GOOD PRACTICE KPIS

Health and Safety KPI 2: Share of operations covered by OHSAS 18001

Compliance with OHSAS 18001 enables organisations to demonstrate that they have a system in place for occupational health and safety. The key measure here is to record the % of your operations that are covered by compliance to a formally recognised accreditation, such as OHSAS 18001.
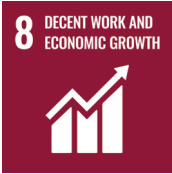
8 DECENT WORK AND ECONOMIC GROWTH

To calculate this measure, take the % of turnover that occurs in operations covered by OHSAS 18001 and divide by the organisation's total turnover and multiply by 100 to get a % figure.

[total turnover of all operations covered by OHSAS 18001 / total turnover x 100] = % share of operations covered by OHSAS 18001

Case studies - see case studies on the previous page (Health and Safety KPI 1):

- **Cramo** reports on the % of its operations (relative to sales) covered by OHSAS 18001.
- **Riwal** set an absolute goal of achieving three new OHSAS certifications in the countries within which it operates.

EXAMPLE CALCULATION

Should there be 100 depots, of these 100 depots 40 are covered by OHSAS 18001 and these 40 depots generate 60% of your turnover.

Your turnover is €1,000,000. The 40 depots generated €600,000 of turnover in the reporting year in question.

Your share of operations covered by OHSAS 18001 is: **€600,000 / €1,000,000 x 100 = 60%**

BEST PRACTICE KPIS

### Health and Safety KPI 3: Safety offering as a % of sales

For this indicator, an organisation measures the % of total sales that are achieved from safety-related sales.

Safety-related sales may be the sale or rental of safety equipment or the sale of safety related training or other safety related services.

This is an area of focus as it measures a rental company's engagement with its customer base on the topic of safety within its customers' operations.

It is calculated by taking the safety related sales value, dividing it by the organisation's total sales and multiplying by 100 to get a % of total sales made up by the safety offering.

This measure can be linked to the measure in the training section – number of external individuals participating in safety training – as it would include paid for safety training courses.
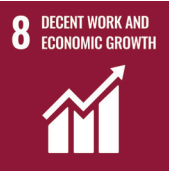
[total safety-related sales / total sales x 100] = safety-related sales

Case study - Ramirent Annual Report

RAMIRENT
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Ramirent's key non-financial KPIs Indicator	Target level	2018	2017
Safe place to work (LTIFR)[1]	LTIFR <5 by 2020	8.1	7.9
Leadership quality (Leadership Index)[2]	Top quartile of companies by 2020	74.8	74.4
Employee engagement (Engagement Index)[2]	Top quartile of companies by 2020	83.9	83.0
Safety offering (Safety offering sales, %)	Increase sales >7% per annum	12.4	12.8
Environmental incidents	No major incidents	0	n/a

# SECTION 3 - TRAINING

Training
1. % of employees receiving training
2. Number of external individuals participating in safety training

MINIMUM RECOMMENDED KPIS

Training KPI 1: % of employees receiving training

The first and most critical training measure is the number of employees receiving training in the reporting period (usually, annually). This is normally reported as a percentage. Training could be in any subject which develops employees or increases their competence and efficiency and can range from anti-corruption and bribery through to customer relationship management, equipment knowledge, machine operation, safety and the environment.

This measure can be linked to the KPI in the Anti-Corruption and Bribery (ACB) section on the number of staff involved in ACB training.
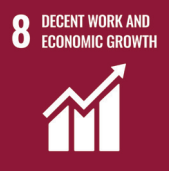
[number of employees who have received training / total number of employees x 100] = % of employees receiving training

Case study - Loxam CSR Report:

LOXAM

Throughout their career, employees can enhance their skills or progress to other functions.

They follow training courses delivered in the Loxam training centre located in Bagneux, south of Paris, in fields as wide and varied as customer relationship management, equipment knowledge, machine operation, safety and the environment.

65%+ employees received training in 2018

EXAMPLE CALCULATION

You have 200 employees. In the reporting year you provided training on a work-related topic to 25 employees. Your % of employees receiving training is: **25 / 200 * 100 = 12.5%**

BEST PRACTICE KPIS

Training KPI 2: Number of external individuals participating in safety training

This measure relates to the number of external individuals, usually customers, participating in externally delivered safety training.

It is usually an absolute number put in the context of a target, as can be seen in the Cramo example below.
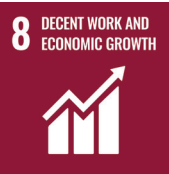
This measure can be linked to the measure in the safety section – Health and Safety KPI 3, Safety offering as a % of sales – as the number of external individuals participating in safety training may include those who have paid for a safety training course.

Case study - Cramo Sustainability and Non-Financial Information report

KPIS WITH IMPLICATIONS FOR SOCIAL AND EMPLOYEE MATTERS

KPI	Target	Outcome 2017
Number of individuals participating in external safety training	10% increase per year from 2018	9,895 individuals
Share of countries (excluding countries with less than 3 depots) providing external safety training	100% by 2020	78%
Number of lawsuits (health and safety)	0 lawsuits (health and safety)	0
LTIR (work related accidents)	<5 by 2020	9.9
Share of operations (relative sales) covered by OHSAS 18001 or similar	All operations covered by OHSAS 18001 or similar by 2020	63% (relative sales)
Training days/employee	3 days of training per employee (on average) by 2020	1.75
Share of female employees within the operational organisation[1]	>15% by 2020	10%
Share of female managers	>15% by 2020	14%

1 Administrative HQ functions are excluded.

EXAMPLE CALCULATION

If 10,000 external individuals participated in a safety training (online or in person) in the reporting year in question, the KPI would be 10,000.

SECTION 4 - ENVIRONMENT

Environment
1. Electric powered/low emission units in fleet
2. Reduction in carbon emissions
3. Reduction in waste
4. Number of branches ISO 14000 certified
5. Water consumption per € unit turnover
6. Third party rating
7. Legal proceedings – environment
8. Environmental incident / near miss

MINIMUM RECOMMENDED KPIS

Environment KPI 1: Electric powered / low emission units in fleet

This is a critical measure as customers are increasingly looking to rent low/zero emission units either to reduce emissions or to respond to the end customer or legislative requirements.

This measure tells key stakeholders (such as employees, customers and investors) how ready the rental company is for the low carbon economy.

It is calculated by taking the number of units that meet a specific environmental standard and dividing this by the total number of units and multiplying by 100 to get a % figure.

Within this measure you may also wish to set a target for the reduction in emissions from rental units (for example, site buildings) and report progress in reducing unit emissions over time.

In the example on the next page, Cramo has a target of 13% energy reduction from rental site modules.

$$[\text{number of units that are electric or meet emission criteria / total number of units} \times 100] = \% \text{ of fleet that is electric or low emission}$$

Case study - Cramo website and Sustainability and Non-Financial Information report:

#2 Replacing non-renewable fuels.

Cramo's ambition is to step-by-step increase the use of renewable energy internally as well as among customers. Our target is to have 90% electric-powered units within the energy-powered fleet by 2023 and more than 90% renewable electricity at our depots. We are also implementing the use of biofuels in our machines as an alternative to decrease the carbon footprint of our equipment and we participate in projects aiming to create CO2-free and emission free construction sites. Our contribution to these projects has varied from the provision of battery driven equipment to providing fossil-free heating solutions.

C R A M O
PART OF **Boels** RENTAL

KPIS WITH IMPLICATIONS FOR THE ENVIRONMENT

KPI	Target	Outcome 2017
Energy usage from rented site huts and modules	13% reduction of energy usage/m² by 2020 vs 2016	168 kWh/m²
Share of diesel powered heating equipment	40% reduction by 2020 vs 2016	Share of diesel powered heating equipment of total heating fleet, 12.4%
Share of Stage I–III diesel engines	70% reduction by 2020 vs 2016	Share of rental equipment with diesel engines stage I–III, 39.5%
Number of lawsuits (environment)	0 lawsuits (environment)	0
CO₂ emissions, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016	17.5 tonnes/MEUR
Energy usage, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016	89.2 MWh/MEUR
Share of waste to recycling	>60% by 2020	53%
Share of waste to landfill	<15% by 2020	11%
Share of mixed waste	<20% by 2020	30%
Share of operations (relative sales) covered by ISO 14001	All operations covered by ISO 14001 by 2020	88% (relative sales)

EXAMPLE CALCULATION

If 10,000 external individuals participated in a safety training (online or in person) in the reporting year in question, the KPI would be 10,000.

Environment KPI 2: Reduction in carbon emissions

There are a number of measures for a reduction in carbon emissions. The most popular being:

- Energy consumption reduction versus a baseline
- Emissions per employee
- Emissions per € unit turnover
- % of renewable energy or low carbon energy
- Progress towards a net zero target, preferable science-based target based broken down into scope 1, 2 and 3
- Carbon emissions of leased equipment (own fleet)
- Light vehicle replacement (hybrid / electric).

All of these measures are valid. However, it is recommended that you measure emissions per unit of activity (which would be per employee or per unit, typically per €1,000 or €100,000, of turnover).

This takes into account energy consumption, provides a figure relative to the size of your business taking into account growth or reduction and also takes into account the use of renewable or low carbon energy.

To report against this measure, calculate your carbon emissions stating whether they are just scope 1 and 2 or scope 1, 2 and 3.

Scope 1: All direct emissions from the activities of an organisation or under their control, including fuel combustion on site (such as gas boilers), fleet vehicles and air-conditioning leaks. The biggest element for most rental companies is their delivery fleet.

Scope 2: Indirect emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation. The biggest element is purchased electricity used in company facilities.

Scope 3: All other indirect emissions from activities of the organisation, occurring from sources that they do not own or control. The big elements for a rental company are the emissions associated with their customers' use of rental equipment and the carbon emissions associated with the production of the items being rented, your supply chain.

A net zero target is a target to get to net zero (your carbon emissions are balanced with any carbon reduction activity giving net zero). Science-based targets (SBT) are where your reduction timescale matches the science required to limit global warming to 1.5 degrees.

The introduction to this report provides greater explanation of net zero and science-based targets and how to set them. The KPI is to report carbon emissions against the journey towards net zero.

For example, the target is to reduce scope 3 emissions by 25% by 2030 and the reporting is the scope 3 reduction against this target. The net zero and SBT element is the target and the KPI is carbon emissions reduction, split into scope 1, scope 2 and scope 3, as outlined in this section.

For the typical rental company, the biggest source of carbon emissions is their transport activity, which is part of scope 1 and a key input into calculating this measure.

At an advanced level, you would include the carbon emissions associated with your supply chain, which includes the embodied carbon footprint relating to the manufacture of the products you rent and also the carbon emissions associated with your customer's use of rental items (both scope 3 items).

Total (scope 1 and 2 or scope 1, 2 and 3) emissions can be divided by your turnover or number of employees and reported as a figure based on the scale of your economic activity.

Carbon emissions calculation is a complex area. More information can be found in the GHG Protocol methodology: **https://ghgprotocol.org/corporate-standard**

It is often seen that carbon emission calculations are outsourced to an external expert as the balance of time spent to develop internal expertise versus outsourcing often favours the outsourcing route.

Case studies on carbon emissions reporting and the benefits of rental - Ashtead Group Responsible Business Report and Ashtead Group Sustainability Report:

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.

Ashtead group

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 (tCO_2e/FTE).

	2020	2019
Emissions intensity ratio – emissions per employee (tCO_2e/FTE)	17.5	18.1

CASE STUDY:

1 for 10

ILLUSTRATING THE CARBON BENEFIT OF RENTAL
Taking a 2.5 tonne JCB mini excavator as an example, a single rental asset replaces the need for ten owned assets. This saves the equivalent of 32.5 tonnes of embodied CO_2 emissions, equivalent to the annual emissions of seven passenger cars. Across our business, Sunbelt owns and rents 11,000 mini excavators, which equates to carbon savings of 357,000 tonnes of CO_2.

EXAMPLE CALCULATION
A rental company measures its total carbon emissions* which are:

- **Scope 1** = 34,626 tonnes CO2 equivalent per year
- **Scope 2** = 2,850 tonnes CO2 equivalent per year.

Your total scope 1 and 2 emissions are 37,476 tonnes CO2 equivalent per annum, or 37,476,000 kg CO2 per annum. Your turnover is €450,000,000 and you employed 3,500 staff.

You can report your Scope 1 and 2 emissions in two ways:

- Per unit of turnover: 37,476,000 / 450,000,000 = 0.083kg CO2e per unit of turnover
- Per employee: 37,476 / 3,500 = 10.7 tonnes CO2e per employee

Typically, you would then set a target of reducing this by x%, such as by 10% within three years or to become a net zero business by 2035, in which case your carbon emissions* would be zero.

*Providing a guide to calculating carbon emissions is beyond the scope of this report but further information and a carbon calculator for small to medium sized enterprises can be found here: **https://www.carbontrust.com/resources/sme-carbon-footprint-calculator**. There is also access to services for larger organisations.

GOOD PRACTICE KPIS

Environment KPI 3: Reduction in waste

There are a number of measures for reduction in waste. The most popular being:

- Waste per FTE
- Waste per € unit turnover
- Recycled waste as a % of total waste
- Waste going to landfill

All of these measures are valid. However, we recommend that you measure waste per unit of activity (which would be per employee or per unit, typically per €1,000 or €100,000 of turnover).

This takes into account waste production, provides a figure relative to the size of your business, taking into account growth or reduction, together with recycling of waste, provided you explicitly state whether this is included or excluded.

To report against this measure, you need to calculate your organisation's waste emissions, decide if this is total waste produced, or after you have deducted waste going to recycling (state if this is the case) then divide the waste emissions by your turnover or number of employees and report as a figure based on the scale of your economic activity.

A zero-waste target is growing in popularity. This is a target where a company commits to producing no waste that leaves the organisation. This is often framed as a zero waste to landfill target, as the waste may go onto external (to the company) waste recycling.

Again, similar to net zero emissions, this is a target and the KPIs are defined as in this section and reporting in the context to the zero waste, or zero waste to landfill, target. For example, we will achieve zero waste to landfill by 2030 and this year we have diverted 98.15% of waste going to landfill (away from landfill into recycling).

See the KPI in the circularity section for an example of reporting recycling of waste – Circularity KPI indicator number 2.

[(total waste - recycled waste) / number of FTE employees]	= waste per FTE

[(total waste - recycled waste) / turnover]	= waste per turnover

[(recycled waste / waste) x 100]	= waste per turnover

Case study - Riwal Corporate Social Responsibility Report:

KPI	Goal	Result
Kg Carbon (CO$_2$) emission per FTE	-1%	-1.5%
Kg Carbon (CO$_2$) emission per €M revenue	-1%	+2.6%
Waste (Ton) per FTE	1	0.7
Waste (Ton) per €M revenue	10	7.67
Waste recycled	70%	95.2%
Waste (Ton) per FTE	1	0.7

EXAMPLE CALCULATION

For an annual turnover of €45,000,000 and 350 full-time staff, there is 500 tonnes of waste per annum and 20 tonnes recycled.

- Waste tonne per FTE is: **(500-20) / 350 = 1.37 tonnes per FTE**
- Waste per million of turnover is: **(500-20) / 45 = 10.67 tonnes per million of turnover**

In addition, you can report your recycling rate: **20 / 500 x 100 = 4%**

Environment KPI 4: % of operations ISO 14001 certified

There are a number of measures for demonstrating wider environmental management excellence, with the two main ones identified by our research:

- % of operations ISO 14001 certified (in practical use, this was the number of branches ISO 14001 certified)
- Environmental action plan for each branch

ISO 14001 sets out the criteria for an environmental management system and can be certified. It maps out a framework that a company or organisation can follow to set up an effective environmental management system.

Designed for any type of organisation, regardless of its activity or sector, it can provide assurance to company management and employees as well as external stakeholders that the environmental impact is being measured and improved.

ISO 14001 would cover having an environmental action plan for each branch, so our recommended measure is the % of operations ISO 14001 certified.

To calculate this measure, take the % of turnover that occurs in operations covered by ISO 14001 and divide by the organisation's total turnover and multiply by 100 to get a % figure.

> **[turnover from operations covered by ISO 14001 / total turnover x 100] = % of operations ISO 14001 certified**

Case study - Loxam CSR report:

CSR TARGETS	2015	2016	2017	2018
100% of branches certified ISO 14001	100%	100%	100%	100%

2018 remarks
Once again, ISO 14001 certification was renewed at the end of 2018 for all of our branches.

CSR TARGETS	2015	2016	2017	2018
1 Environment AP/ year/branch	Yes	Yes	Yes	Yes

2018 remarks
Our HSE team continues to coordinate an environment action plan specific to each branch and renewed every year.

Loxam's environmental impact minimisation strategy is backed by indicators measuring impacts and an ISO 14001 certified Environmental Management System (EMS) which now covers all Loxam branches in France.

EXAMPLE CALCULATION

For 100 depots, 40 are covered by ISO 14001 and these 40 depots generate 60% of your turnover. Your turnover is €1,000,000.

The 40 depots generated €600,000 of turnover in the reporting year in question. Your share of operations covered by ISO 14001 is: **€600,000 / €1,000,000 x 100 = 60%**

Environment KPI 5: Water consumption per € unit turnover

Water is increasingly an area of focus within water stressed regions. As a good practice organisation, you should consider reporting your water consumption per unit of activity (which would be per employee or per unit, typically per €1,000 or €100,000 of turnover).

This takes into account water consumption, provides a figure relative to the size of your business taking into account growth or reduction.

To report against this measure, you need to measure your water consumption across your operations. Your consumption can be divided by your turnover or number of employees and reported as a figure based on the scale of your economic activity.

$$[\text{total water usage in m}^3 \text{ / turnover OR number of employees}] = \text{water consumption per unit of turnover or per employee}$$

Case study - Atlas Copco Annual Report:

Atlas Copco has established a KPI measuring consolidated water consumption in relation to cost of sales. The consumption of water decreased by 17% in 2019 in relation to cost of sales. Water consumption in absolute numbers decreased by 10%, mainly due to improved water management and water circulation.

THE ENVIRONMENT

VISION: Our processes minimize our impact on the environment

ACTION: We use resources responsibly

KEY PERFORMANCE INDICATORS	Goal	2019	2018
Carbon dioxide emissions from energy in operations and transport of goods (tonnes)/COS. Base year 2018.	–50% by 2030	4.3	5.3
Waste (kg)/COS	Continuous decrease	597	667
Water consumption (m³)/COS	Continuous decrease	7.2	8.7
Significant direct suppliers with an approved environmental management system, %	Continuous increase	28%	n/a

In this example, Atlas Copco use cost of sales rather than turnover as they are a manufacturing company with rental operations. Turnover would be more relevant for a rental company.

EXAMPLE CALCULATION

A rental company has a total water usage of 3,600 m³ per annum.

Its turnover is €450,000,000 and it employs 3,500 staff.

You can report water consumption in two ways:

- Per unit of turnover: 3,600 / 450 = 8m³ per million of turnover per annum
- Per employee: 3,600/3,500 staff = 1.03m³ per employee per annum

Typically, you would set a target of reducing this by x%, such as by 10% within three years.

BEST PRACTICE KPIS

Environment KPI 6: Third party environmental performance rating

You can contract with a third party such as CDP, EcoVadis and Achilles (or equivalent) to achieve an independent rating of your environmental performance. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. EcoVadis and Achilles are for-profit third-party assessment organisations.

For a third-party rating, you must sign up to the third party, they will provide an assessment framework and provide you with a sustainability rating. More and more, companies are asking their supply chain to sign up to a third-party rating organisation as part of their formal supplier evaluation or tender evaluation processes in order to drive engagement on sustainability related issues.

Environment KPI 7: Legal proceedings - environment

This refers to the number of lawsuits relating to environmental incidents. The figure is a simple sum of all lawsuits received by the company and is an indicator of an effective approach to ensuring environmental laws and regulations are observed within the organisation.

Case study - Sustainability and Non-Financial Information report:

KPIS WITH IMPLICATIONS FOR THE ENVIRONMENT

PART OF **Boels** RENTAL

KPI	Target	Outcome 2017
Energy usage from rented site huts and modules	13% reduction of energy usage/m² by 2020 vs 2016	168 kWh/m²
Share of diesel powered heating equipment	40% reduction by 2020 vs 2016	Share of diesel powered heating equipment of total heating fleet, 12.4%
Share of Stage I–III diesel engines	70% reduction by 2020 vs 2016	Share of rental equipment with diesel engines stage I–III, 39.5%
Number of lawsuits (environment)	0 lawsuits (environment)	0
CO₂ emissions, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016	17.5 tonnes/MEUR
Energy usage, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016	89.2 MWh/MEUR
Share of waste to recycling	>60% by 2020	53%
Share of waste to landfill	<15% by 2020	11%
Share of mixed waste	<20% by 2020	30%
Share of operations (relative sales) covered by ISO 14001	All operations covered by ISO 14001 by 2020	88% (relative sales)

EXAMPLE CALCULATION

If you had one prosecution for a diesel spill in the reporting year in question, for a diesel storage area, you would report 1 environmental lawsuit.

Environment KPI 8: Environmental incident / near miss

The number of environmental incidents or near miss situations relating to environmental factors. The figure is a simple sum of all incidents / near miss situations and is an indicator of an effective approach to ensuring environmental best practice rules, procedures and approaches are observed within the organisation.

> **EXAMPLE CALCULATION**
>
> If you had one diesel spill incident in the reporting year in question (from a diesel storage area), you would report 1 environmental incident.

SECTION 5 - SUPPLY CHAIN

Supply chain
1. % of suppliers signing up to sustainable supply chain Code of Conduct
2. % of suppliers assessed on CSR

MINIMUM RECOMMENDED KPIS

Supply chain KPI 1: % of suppliers signing up to sustainable supply chain Code of Conduct

It is becoming an increasing requirement of customers, throughout the supply chain, that suppliers have committed to a sustainable supply chain code of conduct. Therefore, rental companies should implement and report on the % of their supply chain that has signed up to a sustainable supply chain code of conduct.

ERA has produced a rental industry supply chain code of conduct which can be implemented by rental companies who do not yet have a sustainable supply chain code of conduct in place, or whose existing supply chain code of conduct does not fully meet customer requirements, more details can be found here: **https://erarental.org/sustainable-suppliers/**

The % of companies signing up can be calculated in three ways:

a. % of total companies signing up to the code of conduct
b. % by spend signing up to the code of conduct
c. % by risk rating signing up to the code of conduct.

Each measure can be calculated as follows:

1. Number of suppliers signing the code of conduct / total number of suppliers x 100 to obtain the %
2. Total spend on companies signing the code of conduct / total spend on supply chain x 100 to obtain a % signing the code of conduct by spend
3. Number of companies signing the code of conduct in a designated risk category / total number of companies in a designated risk category

Which measure to choose?

a. The most straightforward but least sophisticated approach
b. More sophisticated approach as it enables you to report against implementation versus spend
c. The most advanced approach, as it requires you to have undertaken a sustainability supply chain risk analysis and categorised suppliers according to risk and then targeted your code of conduct sign up activity to those suppliers in the highest risk categories

To undertake a sustainable supply chain risk analysis, an organisation can implement the following approach:

1. Identify and document risks. A typical approach for risk identification is to map out and assess the sustainability risks as they apply to the products and services that you buy. Typical risks could include modern slavery for contract labour, environmental risks for battery supply, etc.
2. Build a supply-chain risk-management framework
3. Monitor risk and classify suppliers according to their risk profile
4. Adopt a targeted approach to code of conduct implementation based on a supplier's risk profile, i.e., target to get 100% of high-risk suppliers to sign up within two years
5. Report on code of conduct adoption by high-risk suppliers against a target, i.e. 100% adoption within 2 years of all high-risk suppliers

[number of suppliers signing the code of conduct / total number of suppliers x 100]	= % of suppliers signing up to Code of Conduct

[spend on suppliers signing the code of conduct / total spend on supply chain x 100]	= % of suppliers signing the Code of Conduct by spend

[number of companies in a designated risk category signing the code of conduct / total number of companies in a designated risk category x 100]	= % of suppliers in a designated risk category signing up to Code of Conduct

EXAMPLE CALCULATION

- Out of 1,000 suppliers, 100 have signed up to the code of conduct.

  You report: 1**00 / 1,000 x 100 = 10%**

- Out of 1,000 suppliers, 100 have signed up to the code of conduct. You spend €700,000 per annum on these 100 suppliers, with a total spend of €1,000,000 per annum.

  The measure is: **700,000 / 1,000,000 x 100 = 70%** of suppliers by spend have signed up to your code of conduct.

- For your 1,000 suppliers, you have undertaken a sustainability risk analysis and rated all suppliers as high, medium or low risk. 100 suppliers have been rated as high risk and all have signed up to the code of conduct.

  The measure is **100 high risk suppliers signing the code of conduct / 100 high risk suppliers x 100 = 100%** of all high-risk suppliers have signed your sustainable supply chain code of conduct.

GOOD PRACTICE KPIS

Supply chain KPI 2: % of suppliers assessed on CSR

It is becoming an increasing requirement of customers that suppliers throughout the supply chain have not only asked high risk suppliers to sign up to a sustainable supply chain code of conduct but have required high risk suppliers to be checked for implementation of the code of conduct, especially in high-risk areas like human rights and environmental management.

In checking for implementation of the code of conduct, there are three main approaches that a rental company can consider implementing:

1. Self-assessment by suppliers, ideally using a third-party risk management-based approach such as EcoVadis, ACESIA or one of the many other third-party providers.
2. Physical audit of high-risk suppliers, undertaking physical audits is time consuming and expensive and should only be undertaken following a risk analysis, and targeted at high-risk suppliers as described above, as this will give the greatest return for the lowest investment in time and effort.
3. Physical audit of high-risk suppliers by an external third party, as 2) but using a recognised third-party expert.

The reporting KPI is either the number of audits or supplier self-assessments undertaken. This can be reported as an absolute number, or ideally as a % of total suppliers, or % of spend, or best of all, a % of high-risk suppliers.

[number of suppliers signing the code of conduct / total number of suppliers x 100]	= % of suppliers signing up to Code of Conduct

Case study - Ramirent Annual Report:

Sustainable procurement

Sourcing of equipment is a crucial step in ensuring sustainability. We take various measures to make sure it is implemented efficiently. It begins with supplier selection in tenders that factor in environmental aspects and the Ramirent Code of Conduct. During 2018, we continued with the audits of our main suppliers in order to ensure efficiency and streamline the supplier process. We carried out 34 audits for our strategically important suppliers, focusing on especially two categories: logistics and the use of third-party workforce.

RAMIRENT
A **LOXAM** Company

EXAMPLE CALCULATION

- **Self-assessment by suppliers**:

  Ideally using a third party risk management based approach, such as EcoVadis, ACESIA or one of the many other third party providers, you report as above in Supply Chain KPI 1, but instead of reporting against suppliers signing up to a code of conduct you report suppliers undertaking a self-assessment either by numbers of suppliers, spend or risk rating.

- **Physical audit of high-risk suppliers:**

  Undertaking physical audits is time consuming and expensive and should only be undertaken following a risk analysis and targeted at high-risk suppliers, as described above. This will give the greatest return for the lowest investment in time and effort.

  You then report as above in Supply Chain KPI 1, but instead of reporting against suppliers signing up to a code of conduct, you report suppliers who have been subject to a physical audit (either in-house or by a third party), either by numbers of suppliers, spend or risk rating.

SECTION 6 - ANTI-CORRUPTION AND BRIBERY

Anti-Corruption and Bribery
1. % of employees signing the business code of conduct
2. % employees receiving business ethics/CoC training annually
3. Violations of corruption or bribery

MINIMUM RECOMMENDED KPIS

Anti-corruption and bribery KPI 1: % of employees signing the business code of conduct

It is becoming an increasing requirement of stakeholders that at risk staff (highest risk staff are those involved in sales activity or who place third party contracts, influence contract placement or manage supplier or customer relationships or are in decision making / management positions) have committed to a business code of conduct.

This code of conduct typically does not just cover Anti-Corruption and Bribery (ACB), but also other critical business issues, such as information security, ethics, discrimination, etc. Therefore, rental companies should implement and report on the % of their staff (and as a minimum at risk staff such as those in positions of authority or high risk) that have signed up to a business code of conduct.

In calculating the % of staff signing up, best practice is to express the % as the % of total staff in a certain risk group (i.e., at risk or supervisory positions) signing up to the code of conduct, this is included in a contract of employment.

[% of staff in a designated risk category signing the code of conduct / number of staff in a designated risk category x 100] = % of employees signing the business code of conduct

Case study - Atlas Copco Annual Report:

ETHICS

VISION: We are known for ethical behavior, openness and respect

ACTION: We act with honesty and integrity

KEY PERFORMANCE INDICATORS	Goal	2019	2018
Employees sign the Business Code of Practice, %	100%	98%	n/a
Employees trained in the Business Code of Practice, %	100%	94%	n/a
Managers in risk countries lead trainings in the Business Code of Practice, %	100%	91%	n/a
Significant suppliers sign the Business Code of Practice, %	100%	90%	86%
Significant distributors sign the Business Code of Practice, %	100%	59%	n/a

EXAMPLE CALCULATION

You have 100 staff in supervisory or management positions. 98 of these have signed your business code of conduct.

The measure is calculated as follows: **98 / 100 x 100 = 98%** of staff in supervisory positions have signed the business code of conduct.

GOOD PRACTICE KPIS

Anti-corruption and bribery KPI 2: % of employees receiving business ethics/CoC training annually

It is considered good practice to not only ensure at-risk employees sign a business code of conduct (CoC), described above, but also that this is supported by training in ACB, so employees in an at-risk position can recognise and be aware of how to deal with ACB issues should they arise.

For example, how should a salesperson or depot manager deal with a customer that asks for compensation if he places his rental business with the company.

Rental companies should implement and report on the % of their staff and, as a minimum, at-risk staff such as those in positions of authority or high risk, who have been trained in the business code of conduct.

[% of employees being trained in the business code of conduct / number of employees x 100] = % of employees being trained in the business code of conduct

Case study - see case study on previous page (Anti-corruption and bribery KPI 1). An additional measure is to report on the number of managers delivering training to their staff in the business code of conduct.

BEST PRACTICE KPIS

Anti-corruption and bribery KPI 3: Violations of corruption or bribery

The number of violations relating to corruption or bribery incidents. The figure is a simple sum of all violations recorded by the company and is an indicator of an effective approach to ensuring business codes of conduct / ACB procedures and regulations are observed within the organisation.

A similar and linked KPI is the recording and reporting of ACB related lawsuits, which can be used as an alternative KPI and reported in the same manner.

Case study - Ramirent Annual Report:

Indicator	Target level	2018	2017
Personnel distribution by gender	Increase % of female employees	16/84%	16/84%
Violations of human rights, corruption or bribery	None	0	0
Recycled waste of total waste	50%	88%	84%
Total amount of waste, T³	Declining	5.6	4.5
Overall electricity consumption, MWh⁴	Declining	19.8	19.6
Total number of chemicals used	Maintain level	1,060	1,054

1 LTIFR – Lost time incident frequency rate, incidents per million working hours
2 2018 outcome is from the RamiEar employee survey in November 2018 and the comparable 2017 figure from the January 2018 survey.
3 Excluding Eastern Europe, per net sales
4 In customer centers, hubs and offices, per net sales

EXAMPLE CALCULATION

You had one report of a violation of your business code of conduct in the reporting year, so you would report **1 business code of conduct violation**.

SECTION 7 - CIRCULARITY

Circularity
1. % of equipment recycled by unit
2. % of waste recycled by weight

GOOD PRACTICE KPIS

Circularity KPI 1: % of equipment recycled by unit

Future regulations in areas such as the European Green Deal and Circular Economy Action Plan are likely to require reporting on levels of recycling by companies falling within its scope. It is good practice to implement indicators that measure the level of recycling undertaken by a rental company.

The two most common indicators are:

- Number of units reused – see Loxam example below for site cabins.
- % of total units consumed made up from recycled, reused and/or refurbished parts, calculated by recycled parts / total parts x 100.

In the example below from Loxam, this is measured in the area of spare part consumption.

[number of units reused / total units x 100]	= % of units reused

[recycled parts / total parts x 100]	= % of total units consumed made from recycled parts

Case study - Loxam CSR report:

INDICATORS	2017	2018	2019
LOXAM ENVIRONMENTAL MANAGEMENT			>
LOXAM RECYCLING			>
No. of Saint-Paterne reused site cabins per year	319	351	329
Proportion of reused spare parts	27%	90%	90%
Replacement cost saved by machinery repairs (€m)	4,782	5,352	6,017
LOXAM WASTE MANAGEMENT			>

EXAMPLE CALCULATION

Number of units reused. You have 450 site cabins and 350 are reused at year end so you report either the number of reused site cabins per annum, 350, or a %, 350 / 450 x 100 = 78% of site cabins reused in the reporting year

% of total units consumed made from recycled parts. Calculated by recycled parts / total parts x 100. If you have used 1,000 spare parts in the year in question and 650 of these were remanufactured or salvaged parts. You report: 650 / 1,000 x 100 = 65% of reused spare parts.

Circularity KPI 2: % of equipment recycled by unit

Future regulations in areas such as the European Green Deal and Circular Economy Action Plan are likely to require reporting on levels of recycling by companies falling within its scope. It is good practice to implement indicators that measure the level of recycling undertaken by a rental company.

The two most common indicators are:

- Volume of waste recycled – see Loxam example below for industrial waste.
- % of waste material recycled. In the example below from Loxam, this is measured in the area of reused waste oil.

[recycled material / total material x 100]	= % of waste material recycled

Case study - Loxam CSR report:

INDICATORS	2017	2018	2019
LOXAM ENVIRONMENTAL MANAGEMENT			>
LOXAM RECYCLING			>
LOXAM WASTE MANAGEMENT			>
DIB ordinary industrial waste produced (t)	856	919	842
DID toxic industrial waste produced (t)	41	34	29
Percent batteries and accumulators	n/a	4%	5%
Percent scrap	n/a	1%	1%
Percent oil	n/a	74%	78%
Recyclable industrial waste – scrap, batteries, alu (t)	672	729	669
Reused waste oil rate (% litre)	n/a	85%	85%
Waste reduction measures branch coverage rate	80%	83 %	83%
Agencies' coverage rate for waste reduction measures	100%	100%	100%

EXAMPLE CALCULATION

Volume of waste recycled. If you have produced 500 tonnes of waste in the year in question and recycled 200 tonnes, you report that you recycled 200 tonnes of waste.

% of waste material recycled. Calculated by recycled material / total material x 100. If you have produced 500 tonnes of waste in the year in question and recycled 200 tonnes, you report that you recycled 40% of your waste as: 200 / 500 x 100 = 40%.

SECTION 8 - OTHER

Other
1. Fleet operator recognition scheme (FORS or local equivalent) certification per location

GOOD PRACTICE KPIS

Other KPI 1: Fleet operator recognition scheme (FORS or local equivalent) certification per location

Fleet operation is a significant aspect of rental company operations and particularly relevant for its sustainability impact. Fleet is the highest impact area for carbon footprint and also for safety and for the visual impact of the rental business in the local area.

If your geographical area of operation offers a fleet operator recognition scheme, signing up to this scheme and becoming accredited is good practice as it demonstrates your credentials in the area of fleet operation.

[number of accredited sites / total number of sites x 100]	= % of accredited sites

Case study - Ashtead Group Annual Report:

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.

EXAMPLE CALCULATION

If you have 1,000 sites and 500 are accredited to FORS (or equivalent), you report that 50% of your sites are accredited to FORS as: **500 / 1000 x 100 = 50%**

EUROPEAN RENTAL ASSOCIATION
Avenue de Tervueren, 188A, Box 4,
1150 Brussels
Tel: + 32 2 761 16 04