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ERA to create first ever carbon reporting guidance for the equipment rental industry

The European Rental Association (ERA) is creating the first ever carbon reporting guidance for the equipment rental industry, with global professional services provider KPMG contracted to carry out the project.

Reporting on carbon emissions is increasingly important for the equipment rental industry, with different stakeholders expecting, or even requiring, companies to measure their sustainability performance, set targets and report on their progress. This is becoming a legal requirement for bigger companies in Europe, with the EU's Corporate Sustainability Reporting Directive legislation coming into effect soon.

Michel Petitjean, Secretary General of ERA, said:

"There is currently no agreed methodology available for calculating the carbon footprint of equipment rental companies, who are today reporting on their carbon footprint in a way that is not harmonised and, therefore, not comparable between different companies. With this in mind, and in the context of the increasing legal and other pressures for companies to report on their sustainability performance, it is important to define a reference framework for the entire rental sector. This will not only be of benefit to the European industry, but will also set an example for equipment rental companies worldwide."

ERA carbon reporting guidance

The ERA carbon reporting guidance will build on the methodology of the Equipment CO2 Calculator – <https://equipmentcalculator.org/en> – and will include a list and definitions of GHG protocol categories that are key for the rental sector, a methodology for calculating GHG emissions in all categories of scopes 1, 2 and 3 (particular attention will be paid to scope 3 categories) and a standard set of values for elements used in the methodology, including rental sector specific activity data and relevant emission factors.

The guidance will focus on rental industry-specific operations, such as:

- **Equipment use:** To calculate the emissions generated by the use of the equipment it is necessary to track the duration of rental, as well as each type and size of equipment rented. This is then used to calculate the amount of fuel by its equipment while it is rented out to customers (fuel, electricity).
- **Use of sold products:** To calculate the emissions generated by the use of equipment once it has been sold and taken out of rental fleets, it is necessary to define a method for collecting the number of hours of use remaining and the average use of the equipment.
- **Production of equipment:** The emissions generated by the production of the equipment by an OEM.

- **Maintenance and repairs:** The emissions generated by the maintenance and repair of equipment. This includes emissions generated during the repair process.
- **Transportation:** The emissions generated by the transportation of the equipment to and from rental locations. This includes emissions from the outsourced delivery and pickup of equipment (scope 3), as well as emissions generated by the rental company's own transportation fleet (scope 1).
- **Waste disposal:** The emissions generated by the disposal of waste generated by rental equipment. This includes emissions from the disposal of used oil and filters, as well as from the disposal of scrap metal and other waste materials.

The project is being steered by the ERA Sustainability Committee with the final report expected to be released by the middle of 2024.

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About ERA

The European Rental Association was created in 2006 to represent national rental associations and equipment rental companies in Europe. Today, the membership includes well over 5,000 rental companies, either directly or through 17 rental associations. ERA is active through its committees in the fields of Promotion, Sustainability, Statistics and Technical, and through its working groups, including the Future Group and the OSH Working Group.

Extensive information on ERA's activities, reports, and publications is available on the ERA website at <https://www.erarental.org>

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