

HERC HOLDINGS INC.

*HercRentals*<sup>®</sup>

2023

OUR COMMITMENT  
TO CORPORATE  
CITIZENSHIP





# KEY FACTS

- ▶ Traded on the New York Stock Exchange under "HRI" since July 1, 2016.
- ▶ One of the leading North American equipment rental companies.
- ▶ Estimated 4% market share in a highly fragmented market.
- ▶ \$2.7 billion in 2022 total revenues.
- ▶ \$5.6 billion in fleet (OEC).\*
- ▶ 6,600 employees.
- ▶ 366 locations in North America.†

\* Original equipment cost (OEC) based on American Rental Association guidelines. OEC as of December 31, 2022.

† As of April 28, 2023.

## ABOUT HERC RENTALS

Herc Rentals Inc. is a subsidiary of Herc Holdings Inc., shares of which are listed on the New York Stock Exchange under the stock symbol HRI.

For more than 57 years, Herc Rentals has equipped society's builders, producers, makers, suppliers and growers, and has been a vital contributor to the well-being of communities across North America.

*We equip our customers and communities to build a brighter future.*



## OUR VISION

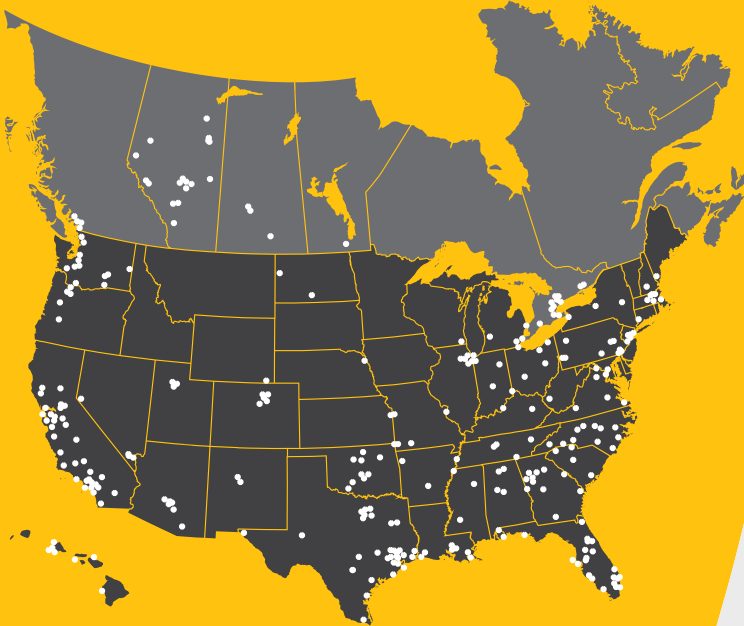
We aspire to be the supplier, employer and investment of choice in our industry.

## OUR MISSION

To ensure that end users of our equipment and services achieve optimal performance safely, efficiently and effectively.

## OUR VALUES

- We do what's right.
- We're in this together.
- We take responsibility.
- We achieve results.
- We prove ourselves every day.





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Use of “material” in our Corporate Citizenship Report is for purposes of reporting in compliance with the Global Reporting Initiative, Sustainability Accounting Standards Board and Taskforce on Climate-related Financial Disclosures. The term “material” as used in our Corporate Citizenship Report should not be interpreted as a determination by the Company of materiality for purposes of U.S. federal securities laws, rules and regulations or the New York Stock Exchange rules and listing standards.

# OUR 2022 HIGHLIGHTS\*

**98%**  
Perfect Days  
by branch location

Women and  
people of color  
**comprise 28%**  
of managers

**106%**  
increase in  
**LED lighting**  
installations

RESPONSE RATE TO  
**Employee Survey**  
**>90%**

**12%**  
increase  
in average  
**training**  
hours

**38%** of our  
equipment count  
is **EV or Hybrid**

Recipient of  
**EcoVadis**  
**Silver Award**  
2022

**Water**  
Intensity  
Down  
**17%**

**eNet**  
**Promoter**  
**Score**  
up 670 bps  
to **34.3**

**43%** of  
our Board members  
self-identify as women  
or people of color

Named by  
**Newsweek**  
as one of  
**America's**  
**Most Responsible**  
Companies

Non-toxic  
waste intensity  
**down 23%**

Scope 1 & 2  
GHG emissions  
intensity down  
**5%**

\*Percentage changes reflect results comparing 2022 versus 2021.



**LARRY SILBER**  
PRESIDENT AND CHIEF  
EXECUTIVE OFFICER

# A MESSAGE FROM OUR CEO

## TO OUR STAKEHOLDERS:

2022 was an exceptional year for Herc Rentals. The company's revenues grew at a rate estimated at more than three times the equipment rental industry's growth in North America through a combination of investment in fleet, acquisitions, and opening new greenfield locations. And our net income grew even faster.

We also made great headway on the strategic initiatives we established in the fall of 2021. You may recall that we added "Integrating ESG" as one of our five major initiatives.

We are committed to doing our part to address the challenges of climate change and the global energy transition, and to implement actions that support social progress and promote human rights across our operations and business relationships. That commitment is evident throughout our business.

### TRACKING OUR PROGRESS

I am incredibly proud of the progress we made in safety in 2022. Our Total Recordable Incident Rate (TRIR) for the United States and Canadian operations improved to 0.52, a best-in-class performance and close to our 2030 target of 0.49. These results reflect the total focus of the organization and every team member on our safety initiatives. And we continue to introduce new initiatives to keep safety fresh on our minds. We also made meaningful progress on our goals to reduce Scope 1 and 2 greenhouse gas (GHG) emissions intensity and

non-toxic waste to landfill intensity. Since 2019, we have reduced Scope 1 and 2 GHG emissions intensity by 17% and non-toxic waste to landfill intensity by 20%.

We determined that using "intensity" most accurately reflects our progress in the context of our company's dramatic growth. While we have added acquisitions and new greenfield locations over the last two years, we continue to focus on reducing the absolute emissions we generate. (Details are located in body of this report.)

We are methodically including additional Scope 3 metrics in our annual report and this year we are reporting on three. We expect to increase our reporting on Scope 3 metrics over the next few years.

### 2030 SUSTAINABILITY GOALS

USING 2019 AS OUR BASE YEAR

- ▶ Reduce Scope 1 and 2 GHG emissions intensity by 25%
- ▶ Reduce non-toxic waste to landfill intensity by 25%
- ▶ Improve safety metrics annually, with the TRIR reaching 0.49 or better

## A MESSAGE FROM OUR CEO



### PEOPLE AND CULTURE

Each year our Human Resources organization surveys our employee population to assess our workplace culture, including employee morale and satisfaction. We have surveyed our employees for the last four years and we are pleased with the positive trends we see. In 2022, we not only improved our employee Net Promoter Score for the fourth consecutive year, but we also reported well above the benchmark established for similar sized companies for the last two years.

As is consistently pointed out by various studies on performance of ESG focused companies, there are strong correlations between strong workplace cultures and financial results and stockholder value. We believe our growth and progress is directly attributable to our strong culture, which has helped recruit and retain employees in support of our long-term business strategy.

In September 2022, Southwest Florida was hit with Hurricane Ian, a Category 5 hurricane which caused substantial damage to our local community and many homes of our employees. Our employees raised more than \$50,000, of which Herc Rentals matched 2-for-1 to generate a total employee assistance fund of \$150,000 to support those employees most impacted by the hurricane. We provided a wide array of support services during that time, and 50 employees received funds to help them recover from the losses they experienced.

### DIVERSITY, EQUITY, AND INCLUSION

We believe that a diverse workforce enhances our ability to deliver on our purpose and brand promise to our customers and communities. We also aspire to build a workforce and local branch teams that reflect the communities we serve. Our people

strategy is heavily focused on attracting and hiring early career talent, and then developing and promoting from within over time.

We actively recruit from universities, colleges, and technical and vocational schools as a means of attracting early career talent to our industry and company. Our focus on early career talent enables us to benefit from some of the most diverse talent pools available—including women, military veterans and people of color.

We believe our people strategy to focus on steady improvements will help build a pipeline of talent that will enable us to build a more diverse workforce over time.

We continually monitor the diversity of our field leadership ranks, as well as our pipeline of future field leaders. Our robust career path and training programs are critical to advancing employees and promoting from within. In addition, our Women in Action and Veteran Employee Resource Groups support these workplace communities with programs that enhance and support their career opportunities within the organization. Overall, our company growth over the last few years allows us to attract, hire and develop even more early career talent at scale.

### COMMUNITY INVOLVEMENT

Our ESG Task Force identified three major categories for employee involvement, including Children and Families, the Environment and Sustainability, and Feeding the Hungry. At the beginning of 2023, we announced a new program to support our employee involvement, Volunteer Paid Time Off (VPT). The new program allows each employee up to eight hours off from work to volunteer for an approved non-profit organization in their community. We're excited to sponsor this program for our 6,600 team members. Throughout the year, our employees volunteer their time and expertise in a variety of local non-profit activities, helping to build homes for Habitat for Humanity, cleaning beaches and roadways, raising funds for the American Heart Association and the Alzheimer's Association, and collecting and distributing food and clothing to organizations throughout North America, just to name a few. In 2023, we intend to better track the volunteer hours of our employees—both those related to our VPT program and those outside of work.

## A MESSAGE FROM OUR CEO

### INVESTING IN FUEL EFFICIENCY

We are investing heavily in new fleet to expand our revenue and to add equipment that provides more efficiency for our customers' operations. The percentage increase in core equipment outpaced what we spent on specialty equipment last year, even as we increased the overall percentage of specialty equipment to nearly 25%. We have developed a roadmap for our continued fleet conversion towards more fuel-efficient and zero-emission equipment. Commitments for electric vehicles (EV), mini-excavators, LED light towers, and hybrid portable generators will increase the percentage of EV and hybrid equipment to 41% by 2027.

### SUPPLY CHAIN

We are increasingly focused on improving the information we track on our major suppliers and ensuring that all suppliers have reviewed and abide by our Vendor Code of Conduct and Human Rights Policy.

The vast majority of our spending is focused on the purchase of equipment, and we estimate that approximately 84% of the annual procurement budget is spent on 25 major suppliers.

Last year we collaborated with our major suppliers in balancing our reporting needs and their ability to provide transparency. We updated and expanded our supplier survey and are using it more broadly in 2023. Providing more information about our supply chain is an ongoing initiative and one which we intend to continue to make progress.

### CUSTOMER SERVICE THROUGH PROCONTROL NEXTGEN™

Throughout the COVID-19 pandemic, we were considered an essential service—and our team members were on the job every day serving our customers. That commitment and our ability to deliver and support our customers certainly contributed to enhancing the trust and expectations of our long-standing customers and helped us attract new customers in 2022.

One of the exciting initiatives that we rolled out in 2022 advanced the use of information technology and mobile digital



experiences for customers through our new ProControl NextGen™ platform. We help our customers be more efficient through our telematics enabled equipment, “On the Go 3.0,” a routing and delivery tracking service, and other productivity measures that support and enhance our customers' experience.

### GOVERNANCE

Our Board of Directors reported 100% attendance by director nominees in 2022, is led by an independent chairman and is nominated and elected annually. In 2022, the Board approved Management Business Objectives (MBOs) to integrate sustainability initiatives into our operations and, for 2023, added specific, measurable sustainability metrics to the MBOs to ensure that the entire management group recognizes and supports our overall corporate sustainability goals.

In March 2023, Carl Icahn, one of our largest shareholders, reduced his equity ownership position triggering the resignation of three board members who represented Mr. Icahn. Our Board is now comprised of seven directors, six of whom are independent.

The reduction in the total number of board members means that women and self-identified people of color now represent 43% of the total. We believe in the strength of a diverse board

and workforce, and we intend to continue to work toward a goal of ensuring our operations reflect the customers and communities we serve.

### RECOGNITION OF OUR PROGRESS

We were pleased that Herc Rentals was recognized as one of Newsweek's Most Responsible Companies for 2022, and awarded a Silver Medal by the global assessment firm, EcoVadis for sustainability reporting. We were also recognized with the Military Friendly® Employer-Gold designation. We appreciate that our efforts are recognized and remain committed to our sustainability program.

Sincerely,

**Larry Silber**

President and Chief Executive Officer  
Herc Holdings Inc.

May 16, 2023





# CORPORATE GOVERNANCE AND OVERSIGHT



Our Board of Directors is committed to sound corporate governance and promoting the long term interests of our shareholders. The Board has approved structures, policies and practices that strengthen and promote responsible oversight.

Our By-Laws, Corporate Governance Guidelines and the charter of each of our Board committees provide the framework for corporate governance. A copy of these documents and our Code of Ethics are available under the investor relations section of our website.

Our Board of Directors, directly and through its Nominating and Governance Committee and the Compensation Committee, oversee the company's environmental, safety, human capital, social and governance policies.

## Governance Highlights

- ▶ Independent Chairman.
- ▶ 6 of 7 directors are independent.
- ▶ Annual election of directors.
- ▶ Majority voting for directors and director resignation policy in uncontested elections.
- ▶ 100% Board and Committee attendance in 2022 by director nominees.
- ▶ Robust stock retention guidelines for senior executives and non-employee directors.
- ▶ Prohibition on directors and Section 16 officers pledging Company stock and prohibition on directors and all employees hedging Company stock.
- ▶ The Board generally will not nominate a non-management director for election at an annual meeting if that person has reached age 75.

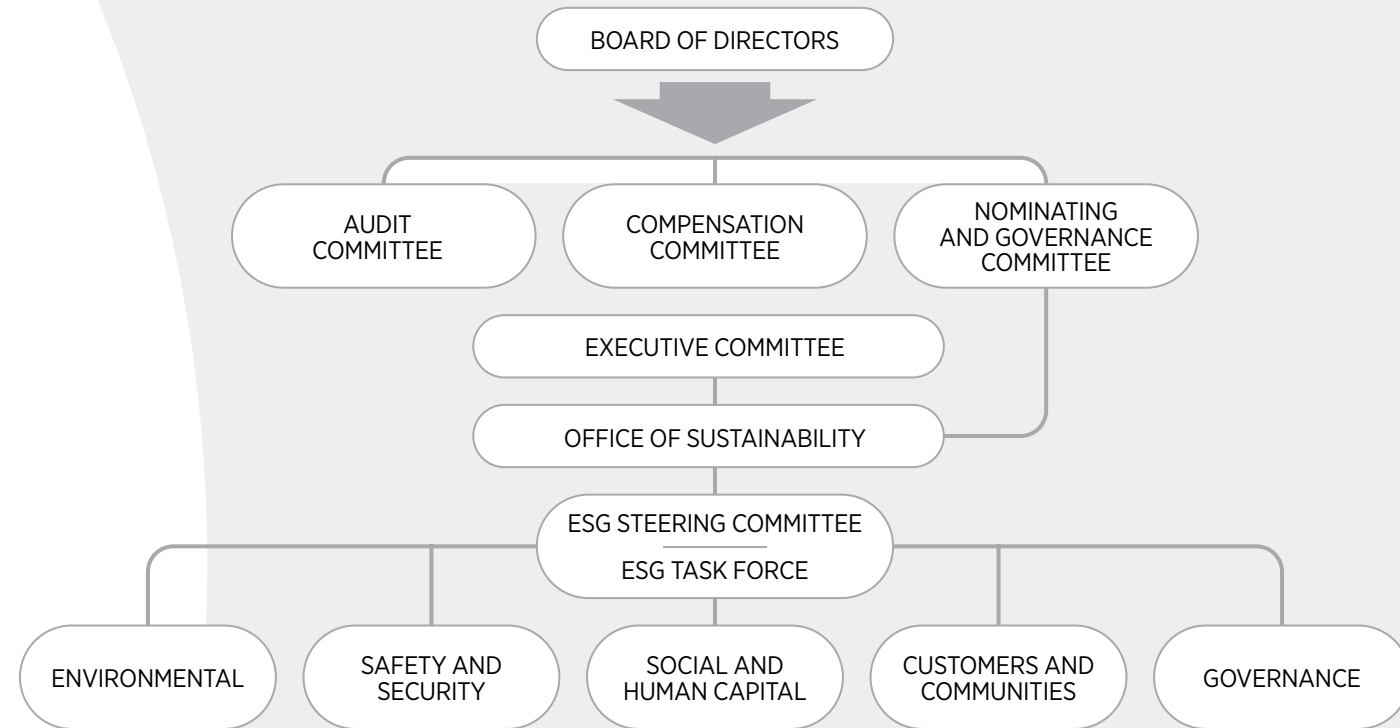
# CORPORATE GOVERNANCE AND OVERSIGHT

## Environmental and Social Highlights

- ▶ Awarded Silver Medal by EcoVadis in recognition of sustainability achievements.
- ▶ Named by Newsweek as one of America’s Most Responsible Companies two years in a row.
- ▶ Improved MSCI sustainability assessment to a rating of A.
- ▶ Awarded the Military Friendly® Employer-Gold designation for 2023.
- ▶ Published Corporate Citizenship Report aligned with Global Reporting Initiative standards, Sustainability Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, and the United Nations Sustainable Development Goals.
- ▶ Reported progress on reduction of Scope 1 and 2 GHG emissions intensity and non-toxic waste to landfill intensity goals by 2030.
- ▶ Reported on continuing trend of annual safety improvement to reach a goal of Total Recordable Incident Rate of 0.49 by 2030.
- ▶ Recognized as a Great Place to Work Certified™ company in Canada.

## MATERIAL TOPICS

Our sustainability initiatives are disclosed in this report and referenced at <https://ir.hercrentals.com/sustainability>, including material topics such as strategy; ethics and integrity; governance and oversight; stakeholder engagement; reporting practices; environmental assessment of operations, including energy, water, materials and waste; sustainable procurement; compliance; health and safety; employee experience and retention; learning and development; training and education; inclusion and diversity; local communities; supplier assessment; customer health and safety; management systems; and privacy and cybersecurity.



## OFFICE OF SUSTAINABILITY

The Office of Sustainability oversees and collects the inputs from staff representing operations, facilities, legal, environment, finance, procurement, safety, human resources, risk management, information technology (IT) and governance. A 25+ person staff forms the ESG Task Force and develops and tracks the quantifiable metrics, reports on the initiatives within their scope, and recommends potential goals. The Vice President of Sustainability reports directly to the Nominating & Governance Committee.

The Office of Sustainability and the ESG Steering Committee determine the material topics, metrics, goals, and policies that are recommended to the Executive Team.

These topics are then researched and reviewed by the ESG Task Force, which is made up of Field Support Center and Operations team members. These overall ESG policies and goals and the Corporate Citizenship Report are reviewed by the Nominating and Governance Committee at least annually. The Office of Sustainability can be contacted at:

**[SustainabilityOffice@HercRentals.com](mailto:SustainabilityOffice@HercRentals.com)**

# CORPORATE GOVERNANCE AND OVERSIGHT

## HUMAN RIGHTS POLICY

In January of 2023, our Human Rights Policy was updated to the following:

### Our Policy

At Herc Rentals we “do what’s right.” Integrity is central to everything we do and guides our business relationships—with government entities, the communities where we live and do business, our customers and suppliers and each other. All employees are expected to conduct themselves ethically and to act with integrity and treat others as they would want to be treated. Respect for human rights is an inherently fundamental value of Herc Rentals.

This Policy sets out our principles and commitments relating to the protection of human rights and is guided by the Universal Declaration of Human Rights, the International Labour Organization’s (ILO) Declaration of Human Rights and the International Bill of Rights. This Policy applies to all Herc Rentals’ employees. We expect all employees to understand and comply with this Policy and to be committed to detecting, preventing and reporting any potential violations.

We also expect the persons and entities with which we do business—including our suppliers, business partners, consultants, contractors and vendors—to abide by these same principles. Our expectations are also outlined in our Vendor Code of Conduct.

### Our Commitment to Human Rights

At Herc Rentals, we are committed to respecting, defending and advancing Human Rights as defined by the United Nations’ Universal Declaration on Human Rights, which provides:

*“Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education and many more.”*

We are committed to embedding respect for human rights in all aspects of our business everywhere that we conduct

business and are committed to addressing human rights concerns relating to people in our business and value chain. Our workplace policies and practices include commitments to safety, non-discrimination, freedom from harassment and workplace violence, as well as retaliation. Our Code of Ethics reconfirms these principles and is provided to all employees. All employees receive training on the obligations set forth in the Code of Ethics and must annually certify that they have read and understand their obligations under the Code of Ethics.

### Modern Slavery, Human Trafficking, Child Labor

We also stand firmly against any violations of Human Rights, including any form of Modern Slavery, including human trafficking, bonded labor, forced or coerced labor, prison or indentured labor and child labor. Herc Rentals prohibits the hiring of individuals under 18 years of age.

### Supply Chain

As part of our ongoing business ethics work and procurement manager training, we are reviewing the sustainability and diversity of our supply chain and will continue to prioritize this where possible. Inquiries of suppliers are made when we enter into supplier relationships and refreshed periodically depending upon the level of business we undertake with any supplier.

### Conflict Minerals

Companies that comply with Conflict Minerals disclosure requirements are well positioned to address the risk of and mitigate human trafficking (or any form of slave, coerced, fraudulent, or exploited labor) in their supply chains. Although we do not handle raw materials directly, we encourage our suppliers to disclose their supply chain risk pertaining to Conflict Minerals and procure those minerals from conflict-free sourcing of raw materials needed for components, parts, or products. We expect suppliers to communicate their policy to their sub-suppliers regarding Conflict Minerals, and where possible, require their sub-suppliers to implement their own conflict-free policy regarding Conflict Minerals.

### Suppliers and Vendors

Our commitment to respect human rights also extends to third parties with whom we do business. We expect the third parties we work with, including our suppliers, vendors, consultants, contractors and customers, to have the same commitment to human rights, and we will not support or do business with any third party who knowingly and intentionally is involved in any human rights violations. Our expectations are set forth in our Code of Vendor Conduct.

### See Something, Say Something

Our employees have a responsibility to speak up regarding any potential violations of law or policy, and Herc Rentals provides a number of channels to do so, including reporting to local management, senior management, Human Resources, the Legal Department or the Compliance Department. Employees can also raise concerns or report potential violations through our company Helpline by calling the Helpline at 855-862-1170 or through the company’s intranet. The Helpline is monitored by a third-party provider and is available 24 hours a day, 7 days a week and provides a convenient way to report known or suspected violations of company policies and procedures, the law or unethical behavior. Reports may be made anonymously. All reports are investigated promptly with appropriate action taken.

### Our Guiding Principles

Our commitment to respect human rights is reflected in our guiding principles. We expect and encourage all our employees to embrace these principles and practices in the performance of their duties and responsibilities.

### Diversity, Non-Discrimination and Non-Harassment

Herc Rentals values diversity in our workforce, and in our customers, vendors, suppliers and other third parties with whom we do business. At Herc Rentals, we provide equal opportunity for all applicants and team members. We are committed to ensuring that all our employees are treated equally, and we do not tolerate discrimination or harassment based on race, color,

# CORPORATE GOVERNANCE AND OVERSIGHT

religion or religious creed, gender, marital status, gender identity or expression, sexual orientation, national origin, ancestry, ethnic origin, citizenship, age, military and protected veteran status, genetic information, pregnancy, disability, medical condition or any other basis protected by law. The company will not tolerate harassment of our employees by anyone, including customers, vendors and suppliers.

## Workplace Health and Safety

Safety is our priority, and wherever we are and whatever we do, safety comes first. We are committed to providing a safe and healthy workplace for our employees. This means that we comply with all workplace safety laws and company policies and procedures relating to workplace safety. Our employees understand that if they see something that concerns them, they must speak up.

## Fair Working Conditions

Our Herc Rentals employees deserve fair working conditions and are fairly compensated with wages that meet or exceed local, state and federal requirements. We follow all applicable laws and regulations regarding wages, work hours, overtime, worker's compensation and other mandated benefits. We do not tolerate the use of child labor, forced labor or human trafficking—including slave labor, prison labor, indentured servitude or bonded labor—in our operations or supply chain.

## Freedom of Association

Herc Rentals respects freedom of association and our employees' right to join, or not to join, third party organizations such as labor unions or other lawful organizations of their own selection, along with the right to bargain or not bargain collectively, in accordance with state, local and federal laws, without fear of reprisal, intimidation or harassment. We are committed to fostering open communication between our employees and managers and providing employees with appropriate access to grievance mechanisms and remedial action.

## No Retaliation

Herc Rentals has a zero-tolerance policy regarding retaliation. No

## HOW WE ENGAGE

EMPLOYEES	CUSTOMERS	INVESTORS	COMMUNITIES
Day-to-day Interactions	Informal Conversations	One-on-one Meetings and Calls	Volunteering
Employee Surveys	Training	Quarterly Earnings Calls	Philanthropy
Senior Leadership Meetings, Monthly In-person or Virtual Townhalls	Formal Surveys	Investor Conferences	Direct Interactions During Disaster Relief
	Customer Appreciation Days	Annual Meeting of Stockholders	
Topical Podcasts	Safety Training	Hosted Investor Events	
Safety Training		E-mails	
Internal Communications via Email - Weekly			
On-line Training			
Employee Resource Groups			
Job-specific Newsletters			

## TOPICS OF INTEREST

EMPLOYEES	CUSTOMERS	INVESTORS	COMMUNITIES
Safety	Customer Service	Financial Results	Volunteering
Career Development	Equipment Selection	Strategic Plans for Growth	Disaster Preparedness and Response
Employee Engagement	Pricing	Industry Trends	Impact of Local Operations
Training	Safety Training	Capital Allocation	
Benefits and Compensation	Introduction of New Types of Equipment	Corporate Governance	
Inclusion and Diversity		Sustainability Performance	
Performance		Environmental-related Risks	
Performance Awards			

employee who acts in good faith will face retaliation for reporting a concern or potential violation of law or company policy.

## Stakeholder Involvement

Our principles and performance are reported routinely to our Board of Directors and annually through disclosures and in our Corporate Responsibility Report that is shared with our shareholders and the public. We all hold the responsibility to

respect human rights, and that responsibility is reflected in oversight by senior leadership, our executive committee, and at the Board-level by the Compensation Committee and Nominating and Governance Committee. Aligned with the annual Code of Ethics acknowledgment by all employees, this oversight ensures every part of our business is clear about their responsibility to respect human rights.

# CORPORATE GOVERNANCE AND OVERSIGHT

## ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Herc Rentals supports the UN Sustainable Development Goals (SDGs) primarily through the following nine out of 17 goals:



### 3. Good Health and Well-Being

We care about our people and have developed a culture which embraces health, safety and well-being through the broad array of our employee benefits and training programs.



### 4. Quality Education

We seek to continuously develop our team members and provide them with opportunities to grow and further their careers within the company.



### 5. Gender Equality

We are committed to ensuring that all our employees are treated equally, and we do not tolerate discrimination or harassment based on race, color, religion or religious creed, gender, marital status, gender identity or expression, sexual orientation, national origin, ancestry, ethnic origin, citizenship, age, military and protected veteran status, genetic information, pregnancy, disability, medical condition or any other basis protected by law.



### 8. Decent Work and Economic Growth

We intend to grow our business through acquisitions and new locations, providing inclusive and productive employment and sustainable growth while focusing on becoming the employer of choice in our industry.



### 9. Industry, Innovation and Infrastructure

We support innovation through our partnerships with original equipment manufacturers to continuously improve their equipment safety and fuel efficiency. Our company supports the construction and maintenance of infrastructure in our communities with our equipment and customer solutions.



### 10. Reduced Inequalities

We support activities such as our Women in Action Employee Resource Group, which seeks to attract, support, develop and retain women through opportunities for learning, networking, volunteering, and mentoring.



### 11. Sustainable Cities and Communities

Herc Rentals seeks to support growth in the top 50 major metropolitan regions in North America by serving customers in industrial, retail, government, construction and infrastructure.



### 12. Responsible Consumption and Production

Our business model encourages customers to reduce their carbon emissions by renting equipment rather than buying it and providing low and no-emission equipment for rent. We strive to work with original equipment manufacturers and other suppliers who share our environmental and social principles regarding sustainability.



### 13. Climate Action

We recognize the effect of carbon emissions on global climate change and are focused on reducing emissions through utilizing electricity from renewable resources, retrofitting lighting systems in our locations to use more efficient LED lighting, and increasing our investment in EV and hybrid equipment which enable our customers and our company to reduce GHG emissions.





# OUR COMMITMENT TO SAFETY

Safety is at the foundation of everything we do and is embedded at the center of our Vision, Mission and Values statement. We are highly focused on the integration of our new operations as well as ensuring that our safety culture is shared and embraced by our new team members across all our locations. Our safety training and procedures are expected to be implemented immediately by our new colleagues.

#### **Our Safety Policy states:**

Herc Rentals requires an active commitment to, and personal accountability for, safety and safety compliance from all employees and contractors. Operations leaders have a key role in communicating, implementing, and ensuring adherence to, safety and compliance policies and standards.

As part of our ongoing commitment to safety, we will:

- ▶ Protect and strive for improvement in the safety and health of our teammates at all times;
- ▶ Eliminate accidents and non-conformance to safety policies, procedures and practices;
- ▶ Safely meet specified customer requirements and ensure continuous customer satisfaction;
- ▶ Set safety performance objectives, measure results, assess and continually improve processes and services through the use of effective safety programs and processes;
- ▶ Responsibly plan for and swiftly respond to and resolve safety-related events;
- ▶ Communicate openly with internal and external stakeholders and ensure an understanding of our safety policies, standards, programs and performance;
- ▶ Recognize and reward outstanding safety performance;
- ▶ Improve our performance on safety issues relevant to our internal and external stakeholders that are of concern and on which we can have an impact, and share with them our knowledge of successful safety programs and initiatives;

# OUR COMMITMENT TO SAFETY

- ▶ Comply with applicable safety legislation, regulations, and industry standards;
- ▶ Promote a culture where “Stop Work” is an individual obligation and company responsibility;
- ▶ Identify and implement effective management related to safety risks;
- ▶ Allocate appropriate resources to honor our safety commitment;
- ▶ Commit to making every day a “Perfect Day.”

The commitments listed here are in addition to our basic obligation to comply with the Herc Rentals Vision, Mission, Values and Code of Conduct and all applicable laws and regulations where we operate. This commitment is critical to our business success because it allows us to systematically prevent and/or minimize losses and adds value for all our stakeholders.

We implemented a Health and Safety Management System (HSMS) in 2019 with updates in 2021. The HSMS is a combination of proactive measures and compliance with US and Canadian regulations. For more information on the HSMS structure, please reference the response to GRI 403 in the GRI Index on page 57.



## A SAFETY-FIRST CULTURE

Our safety culture is predicated on training, communications, empowerment, measurement and recognition.

**Safety Training** — Training is delivered via instructor-led or computer-based interactions depending on the topic and determined best approach. Regulatory training content and job-specific training is developed internally with input from experienced employees and leverages equipment manufacturers’ guidance. Training effectiveness is evaluated based upon incident review to determine if the training was effective in the context of the task and reduction or mitigation of the hazards associated with the task.

**Safety Communications** — We have developed several platforms to inform Team Herc about our commitment to safety, including an annual commitment to safety and ongoing safety reminders from the CEO; Monday safety bulletins reinforce safety awareness and behaviors at work and at home; safety boards

at every location serve as a dedicated resource for safety-related information; and morning stretches and safety huddles at all locations to help get every working day off to a safe start. We strive for the “Perfect Day” which is defined as a working day across our company with (i) no OSHA recordable incidents, (ii) no Department of Transportation violations and (iii) no “at fault” motor vehicle accidents. All of our branches achieved at least 98% Perfect Days for the last two years.

**Stop Work Authority** — All employees are empowered to intervene with a Stop Work Authority (SWA) when they perceive an unacceptable safety condition, act or situation where an individual’s lack of understanding could result in an incident. The SWA is supported through Safety Alert communications that emphasize safety practices and a daily observation program at our locations that prepares employees to assess their work environment and tasks for potential hazards.



# OUR COMMITMENT TO SAFETY

**Documenting Safety Actions** — Observations or hazards can be reported and or entered by any employee and generates an action in the system of record for follow-up. Observations and hazards are routinely reviewed and audited with feedback to the submitting employees. All observations and hazards are entered into the system of record to create reports, which are used to analyze trends and areas of opportunity for improvement. These observations or hazards can be entered into the system of record from any smart phone or computer terminal. If an employee has a concern of privacy, observations can also be entered anonymously. Incidents that are reported through our system of record generate a requirement for an investigation. Depending on the type or severity of the investigation, different approaches may be used to determine the root cause and corrective actions. Monthly inspections, quarterly site assessments and annual audits are conducted to ensure the workplace is free of hazards.

**Product Safety** — A new product introduction program is in place that identifies and creates, as needed, the training, processes and hazard assessments at the time of introduction. Additionally, if a product has the potential to create an environmental hazard, it is analyzed and monitored to ensure hazards are eliminated or mitigated.

**Ongoing Safety Initiatives** — In addition to tracking and sharing standard safety performance metrics, we have established a daily Safety Dashboard that measures all branch locations on leading safety indicators, including training, monthly branch inspections, Toolbox Safety Meetings, employee observations and total safety inspection findings.

The Safety Dashboard is reviewed by branch managers, with weekly reports on individual branch performance sent to regional vice presidents. On a weekly basis, the Senior Director of Safety Reports Performance and any other issues of note to the Chief Operating Officer. The Senior Director of Safety also reports on safety performance to the Board on a quarterly basis.

**Focus Five** — As part of our commitment to ongoing safety improvement, we introduced a new program called Focus Five in early 2023.

The program was designed to help simplify our safety initiatives so every team member can focus on five areas for improvement.

## focus5 2023 Safety Goals

Focus 5 Highlights:

1. Proper Lifting
2. Injury Response and Care
3. Safe Driving
4. Branch Safety and Environmental Champions
5. Personal Protective Equipment (PPE)

While all of these focus areas will benefit Herc Rentals, the development of Safety and Environmental Champions at each of our branches is especially exciting. An individual at each of our branches will be given the responsibility to champion both safety and environmental programs for the first time. While we have had Safety Champions for several years, this new initiative brings environmental responsibility into the mix. Reducing oil leakage or spills and a renewed focus on recycling initiatives that include both waste and water will be just a few of the new responsibilities of the Safety and Environmental Champion.

**Safety Councils** — All branches have instituted Safety Councils, which are led and comprised of non-management volunteer members of Team Herc. Members of our Safety Councils meet

monthly and are tasked with identifying and addressing safety hazards and recommending safety improvements that are then communicated to the branch manager and safety director.

**Recognition** — Leading safety performance is recognized each year and individual and team safety achievements are celebrated throughout the year on location, through company newsletters like “The On Ramp” for our professional drivers and “The Tool Box” for our service technicians and our coordinator newsletter. Additionally, drivers and technicians who have demonstrated positive safety behaviors are presented with a “Think Safety” sticker, which they can display on their vehicles or toolboxes. The company also recognizes outstanding regional and district safety performance during annual events and award ceremonies.

**Vehicle Safety** — Our safety-first culture and ongoing implementation of vehicle safety enhancements, such as back-up cameras; active brake assist; rear, cross and forward collision alerts; lane-departure warning; front-and rear parking assist technologies; and hands-free steering wheel controls will continue to support our progress in increasing our Perfect Days. There were no fatalities in any of our locations from 2018 to 2022.



# OUR COMMITMENT TO SAFETY

## FOCUSING ON SAFETY PERFORMANCE

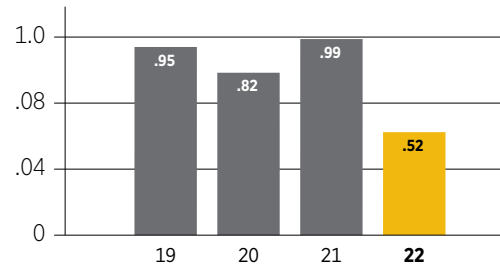
We expect to achieve annual safety performance levels equal to or better than the industry average and are committed to improving our safety metrics annually with the goal of 0.49 or less in Total Recordable Incident Rate (TRIR) by 2030.

In 2022, Herc Rentals achieved a truly best in class level in our safety performance. Our TRIR for US and Canadian operations was 0.52 based on 14,906,261 hours worked in 2022, an increase in hours worked of 42% over 2021.

Our primary focus is keeping our team members, customers and communities safe — every day. These ongoing initiatives and programs contribute to the ongoing improvement in our TRIR score and our goal of achieving 100% Perfect Days.

### TOTAL RECORDABLE INCIDENT RATE

Results for 2019 to 2021 reflects US only; while 2022 includes both US and CAN





# Herc Rentals

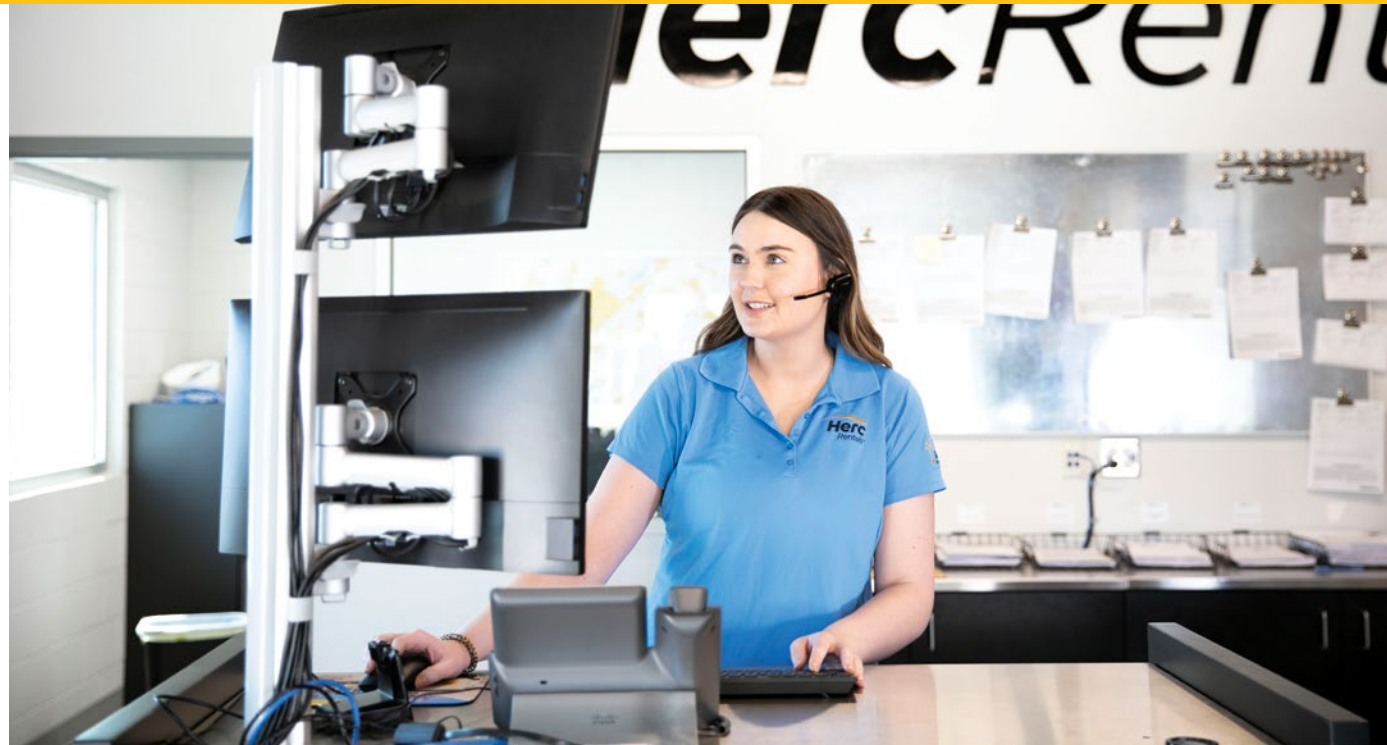


## CYBERSECURITY

Customer information and information systems are critical assets to Herc Rentals' operations and our ability to achieve our strategic objectives. As a result, protecting the confidentiality, integrity and availability of this information is imperative to our business success. Our information security policy provides a framework for the establishment, operation and management of information security programs to protect Herc Rentals' assets from a wide range of threats and effectively lower our risk profile.

Cybersecurity is potentially a significant risk to our business and is increasingly becoming a greater risk to government, corporate and other enterprises. Our cybersecurity program is headed by an internal cybersecurity team and overseen by the Board, Audit Committee, Enterprise Risk Management Committee and senior management.

Our information technology policy applies to the use of information, information systems, electronic and computing devices, applications, and network resources used to conduct business within Herc Rentals and applies to employees, contractors, consultants, temporary and other workers at Herc Rentals, including personnel affiliated with third parties.



The cybersecurity team is responsible for building security capabilities, security awareness and a holistic program to protect the business. They develop information security policies and standards, provide security advice and recommendations to the business and information technology, and are an overall enforcement agent of policies and standards.

The company's cybersecurity activities are aligned to three service lines: governance, risk, and compliance (GRC); security operations; and security architecture and engineering. Across these service lines, the cybersecurity program ensures that the business has information security policies and standards, continuous monitoring of its IT assets, security incident response support, strategies and standards for risk mitigation, and a security awareness and training program.

Employees complete mandatory cybersecurity training annually and all personal records are protected with two-factor

authentication. Regular phishing tests are conducted on all work stations and mobile devices. In addition, NextGen virus scans are conducted on all computers.

In 2022, senior management and information technology and cybersecurity team members participated in tabletop training exercises as part of our risk mitigation initiatives to prepare for potential cybersecurity events. In addition, Jean Holley is the Board's cybersecurity expert, and meets regularly with the company's Chief Information Officer and Chief Information Security Officer.

Herc Rentals takes proactive steps to protect the privacy of our customers and employees. Both internal and external teams will investigate any formal complaints regarding the safekeeping or breach of customer data. To date, there are no known substantiated reports of violations of Herc Rentals customer data.



# HUMAN CAPITAL — TEAM HERC

Herc Rentals aspires for our workforce to reflect the customers and communities we serve. Diverse teams enrich our company culture, strengthen our business, and contribute to competitive advantage as we benefit from a broad range of life and industry experiences, ideas, and perspectives.

In 2022, Herc Rentals completed 18 acquisitions with 29 locations and added an additional 21 greenfield locations. The additional headcount from our acquisitions did impact the diversity percentage totals compared with last year's data.

Women and  
people of color  
**comprise 28%**  
of managers

Herc Rentals welcomed nearly 2,400 new team members in 2022, representing a 25% increase in new hires over 2021. This increase in hiring was due to a combination of internal company growth and expansion through acquisitions. Notably, just over 16% of total new hires came to Herc Rentals via acquisition. Of the acquisitions completed to date, the majority of acquisition employees decided to transition to Team Herc, bringing a vast amount of industry knowledge and experience to our workforce.

We are proud of the many team members throughout the company that contribute to the acquisition process—including our newly acquired employees—and for the hard work and effort they give to make each unique acquisition successful.

# HUMAN CAPITAL—TEAM HERC

## DIVERSITY & INCLUSION

We continued to increase in the number of people of color as a percent of our total workforce, from 29.8% to 30.5%. As we seek to represent our local communities, we expect to continue to make steady progress in this area.

The percentage of the population of women at Herc Rentals was virtually unchanged in 2022 over 2021, with women representing 12.2% of the overall population. Of the nearly 2,400 new hires Herc Rentals onboarded in 2022, women accounted for 12.4%. Herc Rentals is committed to attracting more women to the equipment rental industry and providing women with opportunities for advancement and meaningful career paths towards critical roles in the company. The percentage of women managers increased to 16.3% in 2022. In a historically male-dominated industry, it is exciting to see the growth of our women team members in these areas.

Overall, Herc Rentals reported overall diversity of 34.6% in 2022 compared with 39.4% in 2021. Although the independent percentages of people of color and women increased slightly, the overall decrease in diversity accounts for the fact that some employees are identified as both women and people of color.

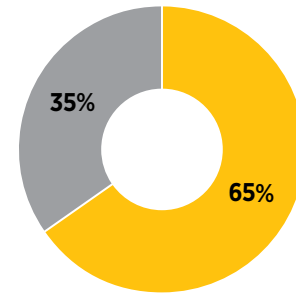
## WOMEN IN ACTION

Herc Rentals' Women in Action (WIA) Employee Resource Group—which seeks to attract, support, develop, and retain women through opportunities for learning, networking, volunteering, and mentoring—continues to be an active and thriving employee resource group.

In 2022, WIA hosted quarterly events that were held in-person and hosted via virtual meetings to allow participation for Herc Rentals' women throughout North America. Group members also participated in volunteer activities in their local communities, taking part in Habitat for Humanity's Women Build initiative in Fort Myers, FL; Atlanta, GA and Worcester, MA. Team Herc women also helped build a playground for special needs children in Alberta, Canada.

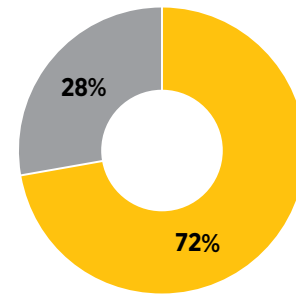
Herc Rentals' women go above and beyond to serve their communities. The WIA continues to support its members

## OVERALL DIVERSITY



● DISCLOSED NON-DIVERSE  
● DISCLOSED DIVERSE - WOMEN AND POC

## OVERALL DIVERSITY OF MANAGERS



● NON-DIVERSE  
● DIVERSE

in career development and through internal programs including the WIA Mentoring Program and the Peer Partner Program for new employees—both launched in 2022.

## LEVERAGING THE UNIQUE SKILLS AND EXPERIENCES OF MILITARY VETERANS

Military veterans and actively serving members of the Reserves and National Guard possess unique skills and experiences that are well suited for many job roles at Herc Rentals. Herc Rentals is a proud supporter of our military service members and is eager to pursue opportunities to recruit veterans into the equipment industry and to our team. At the end of 2022, Herc Rentals' population of employees included 539 self-identified veterans, representing approximately 8.2% of the total workforce.



In late 2022, the company was awarded the prestigious Military Friendly® Employer-Gold designation for 2023, improving from the Silver designation, and placing Herc Rentals in a top category for select companies that significantly exceed standards. This is the company's eighth consecutive year of receiving a Military Friendly Employer designation.

Herc Rentals' Veteran Resource Group (VRG) continues to be active in providing networking opportunities and support to our military team members and engaging in various efforts to recognize these team members. For example, on Veterans Day in 2022 each veteran was presented with a small gift and a breakfast was held to honor veterans located at Herc Rentals' corporate headquarters.

# HUMAN CAPITAL—TEAM HERC

## RETAINING AND GROWING OUR TEAM

One of the key components of Herc Rentals' mission is that we aspire to be the employer of choice in the equipment rental industry. Our team members are key to our success, and we remain focused on employee engagement, career development and retention.

Herc Rentals continues to outperform the broader labor market and the transportation, construction, and leasing/rental industry segments in terms of retention. The company's commitment to engaging and developing our team members is reflected in our overall turnover, which decreased from 21.1% in 2021 to 20.4% in 2022. Herc Rentals' voluntary turnover in 2022 is especially noteworthy with a 1.1% YOY decrease to 14.7%. We are especially encouraged to see the reduction of voluntary turnover because it signifies that employees are increasingly choosing to continue their careers with Herc Rentals, even in a highly competitive labor market.

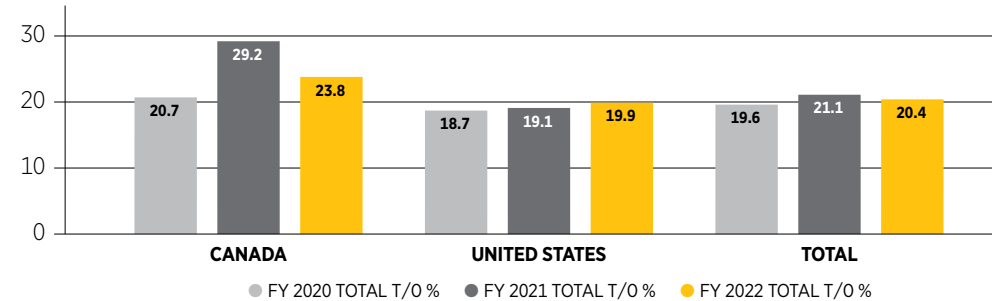
Of note, there was a significant decrease in turnover from 2021 to 2022 in the under 30 population, with turnover in this age group dropping from 33.3% to 29.6% YOY. In part, this improvement can be attributed to the development of more robust career pathing and learning plans targeted towards early-career employees throughout all areas of the company.

On the 2022 employee survey, Herc Rentals was proud to record an Employer Net Promoter Score (eNPS) of 34.3%, which was a considerable increase over our 2021 eNPS score of 27.6%. In fact, Herc Rentals has consistently achieved increases in the eNPS for each of the last three years. The 2022 eNPS was directly reflected in the number of employees referred to Herc Rentals by current team members in 2022, with approximately 45% of new hires—excluding those who joined Herc Rentals via acquisition—involving an employee referral.

Recruiting early career candidates through campus and technical school recruiting is a top priority for Herc Rentals as we aim to attract young professionals to the industry and build our internal talent pool of high potential team members. The Black & Gold Early Career Academy is a program designed to equip

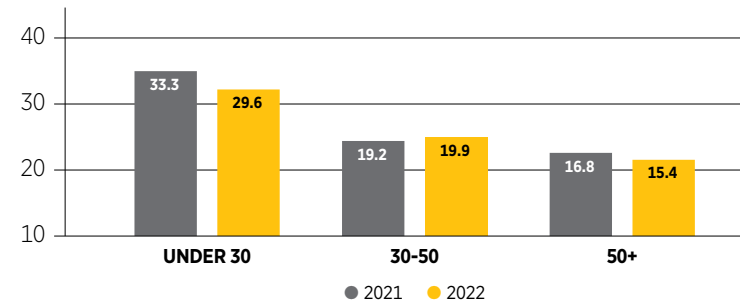
### TOTAL TURNOVER

Percentage



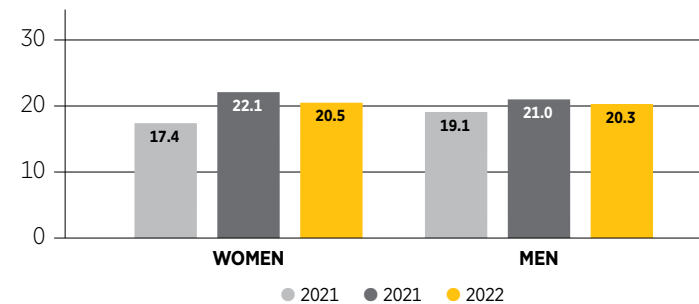
### TURNOVER BY AGE GROUP

Percentage



### TURNOVER BY GENDER

Percentage





# HUMAN CAPITAL—TEAM HERC



**12%**  
increase  
in average  
training  
hours

participants with the knowledge and skills they need to progress in a career in sales or operations within the equipment rental industry. The program was redesigned in late 2022 to allow for greater reach to a larger new hire population and to provide a broader range of career path options post-graduation.

### DEVELOPMENT OF OUR PEOPLE

As part of Herc Rentals’ vision to be the employer of choice in our industry, we seek to continuously develop our team members and provide them with opportunities to grow and further their careers within the company. Regardless of an individual’s position or placement within the organization, our desire is that every employee will have a visible career path with clear steps to prepare them for future progression.

All Herc Rentals employees engage in learning activities throughout the year, which may include compliance-related training, job-specific training, and developmental programs.

Herc Rentals utilizes various methods to facilitate training, with an emphasis on learning through practical methods.

In 2022, Herc Rentals continued to increase training hours to an average of 49.6 hours per employee, including required and discretionary training. This average represents a 12.5% increase over the prior year, and far exceeds the industry standard. As we seek to strengthen our internal talent pool and encourage internal mobility, training plays a critical role in reaching these goals.

### TRAINING HOURS BY EMPLOYEE

YEAR	AVERAGE TRAINING HOURS
2022	49.6
2021	44.1
2020	31.7

Herc Rentals provides equal opportunities for training to all team members, though some trainings are specific to a job or location. Although average training hours increased YOY for both men and women, women averaged approximately three hours of training more than men in 2022. The difference in average training hours is likely due to a larger investment in discretionary training by women.

AVERAGE TRAINING HOURS	2020	2021	2022
Men	30.8	43.5	49.2
Women	38.8	48.1	52.3

CATEGORY	AVERAGE TRAINING HOURS
Individual Contributor	52.5
Supervisor	27.0
Manager	46.8
Director	21.9
Executive	6.5

The company continues to invest in several new or expanded learning programs, some of which are targeted towards key roles in the organization.

## HUMAN CAPITAL—TEAM HERC

**5-Tool Manager** — This program is designed to equip managers with the knowledge and skills that they need to successfully lead their teams and manage the operations in their branches or areas. Sessions are instructor-led, with team members from various functional areas serving as instructors. Each session is sponsored and attended by district and regional leadership, including regional vice presidents. While this program was introduced in 2020, Herc Rentals prioritized enrollment in the program for both new and current branch managers.

**Black & Gold Early Career Academy** — As mentioned previously, this program is essential to our strategy for building a strong pool of internal talent. The Black & Gold Early Career Academy aims to prepare participants for other roles in the organization—primarily in sales—by providing directed training, exposure to the business, on-the-job training activities, guidance on personal brand development, and access to senior leadership. Participants move through the program as part of a cohort, giving them the ability to network with one another and benefit from shared experiences.

**Technician Training Program** — The Learning & Development team introduced a new internal resource page for technicians, which organizes access to resources and learning programs specific to technicians and the equipment they repair and maintain. Through this site, technicians—or those who aspire to be technicians—can access basic training and select specific equipment-related online training that both meets the needs of their branch while also supporting their professional development. The training progresses from online courses for completing a basic inspection and conducting routing maintenance, to hands-on courses for completing complex repairs for a specific type of equipment.

**Action Selling the Herc Way** — This program is designed to equip the sales force with a standard sales methodology, and is aimed to drive revenue, profitable growth, and improve the customer experience. The program includes participation in a workshop, guided practice to reinforce the skills learned, and a final assessment for certification.

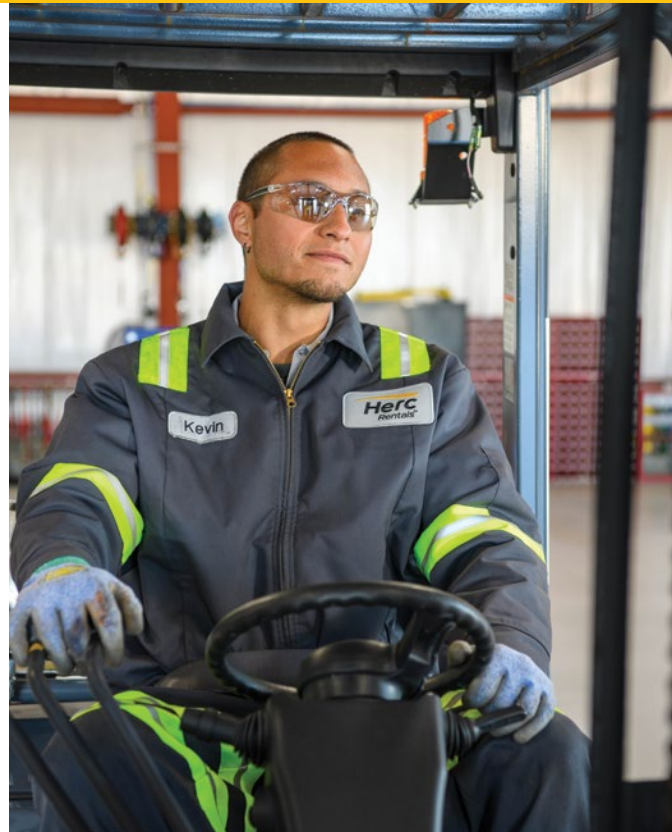


**Digital Learning** — Herc Rentals expanded our learning offerings available to employees through Herc University by launching a new digital learning platform. Through the new platform, all Herc Rentals employees have access to over 30,000 digital learning items, including courses, videos, and e-books. Learners have the option to subscribe to organized channels of content and follow specific learning journeys based on their interests.

While learning hours for salaried employees increased from 41.0 hours in 2021 to 50.5 in 2022, average learning hours for hourly employees fell from 64.9 in 2021 to 49.1 in 2022. The decrease is attributed to improved retention rates and internal job movements, permitting Herc Rentals and the

employee to leverage the foundational training provided initially in their new roles. Additionally, all learning programs and content are reviewed and revised annually to ensure that the training is appropriate and beneficial to the person, applicable to the job, and a value-add to Herc Rentals.

In addition to providing learning opportunities, an important aspect of employee development is providing individualized feedback. Managers are encouraged to provide coaching and feedback—both formally and informally on a regular basis. The majority of Herc Rentals employees receive a formal annual performance review, with the exception of union employees and employees who join the company later in the year.



RESPONSE RATE TO  
**Employee Survey**  
**>90%**

## HEARING FROM OUR PEOPLE

Each year, Herc Rentals presents an anonymous and confidential employee survey to all team members with the help of a third-party agency. The goal of this survey is to collect feedback on our company culture and the wellbeing of our team members, and to identify opportunities that will help us to further our efforts in maintaining our vision to be the employer of choice in the industry. The survey provides valuable insight from a company level, all the way down to the individual department or branch level. Although participation is not required, we encourage all team members to share their feedback via the survey. In 2022, we were excited that over 90% of employees completed the survey, far exceeding benchmarks for the average response rate. We are grateful that so many of our team members took the time to thoughtfully respond to the survey and believe this is a reflection on our strong company culture and the commitment of our people to Team Herc.

While developing and maintaining culture is an ongoing effort, we are encouraged by the progress reflected in the 2022 survey. For example, our employee Net Promoter Score more than doubled compared to the first survey conducted in 2019, indicating a higher percentage of team members who would recommend Herc Rentals as a great place to work. We also saw improvements in the areas of job satisfaction and personal well-being.

## TAKING CARE OF OUR PEOPLE

The wellbeing of our people, both within the workplace and outside of the workplace, is a top priority for Herc Rentals. We recognize that overall wellbeing involves all aspects of a person's life, including physical, mental, and financial wellbeing, among others. Based on the 2022 employee survey, Herc Rentals employees reported a wellbeing score of 80.7%, which expressed a similar sentiment as was reported in 2021. This is remarkable considering that the company experienced substantial growth and expansion of the workforce through acquisitions and new greenfield locations in 2022.

In addition to offering traditional benefits—such as health and wellness coverage, retirement programs, and benefits to protect employees from the impact of significant life events—Herc Rentals continuously evaluates our benefit offerings to determine how we can enhance the options for employees.

Below are just a few of the many benefits that Herc Rentals offers to support health and wellbeing, families and communities:

**New Medical Plan Options** — In the US, Herc Rentals introduced two new medical plans in 2023, giving team members updated options from which to choose, including the ability to contribute to a Health Savings Account.

**Paid Parental Leave** — Introduced in late 2021, this program is designed to acknowledge the importance of family by providing limited paid leave time off to care for or bond with a new family member.

**Pregnancy Related Medical Leave** — Introduced in late 2021, this program promotes the importance of family and wellbeing of employees by providing limited paid leave due to a pregnancy-related medical leave.

**Volunteer Paid Time Off** — In early 2023, Herc Rentals announced a benefit that provides up to 8 hours of paid time off that team members can use to volunteer in and serve their communities.

A list of benefits offerings can be found on the [Herc Rentals website](#). Benefit eligibility, including for the benefits highlighted above, may vary based on country of residence or union membership.

# HUMAN CAPITAL—TEAM HERC

## WEATHERING THE STORM

In September 2022, an unprecedented disaster—Hurricane Ian—hit southwest Florida at Category 5 strength, making landfall just north of Herc Rentals’ corporate headquarters, the Field Support Center. While our building maintained only minor damage, many Herc Rentals team members experienced devastating effects. Some team members were forced to flee from their homes through raging floodwaters. Some experienced major damage to their homes, and others lost everything. Power and internet were out for days—in some cases, weeks—and the team was displaced while the community and helpers from all over the country worked together to restore basic infrastructure.

In the midst of the challenges brought on by the storm, Team Herc pulled together, as we always do. Team members who were dealing with the aftermath of the storm put their own needs aside and pitched in to help others who had greater needs, in some cases helping to clean out co-workers’ homes or delivering much needed supplies. A Herc Rentals disaster-response team was dispatched to the area from all over the country and immediately went to work, serving not only the southwest Florida community, but their own Herc Rentals team members as well. Team members that couldn’t be on the ground to help were generous in donating to their team members with the greatest needs, offering financial support, which was matched by the company.

Through it all, the business continued to run, thanks to the commitment, sacrifice and dedication of the amazing people that make up Team Herc. Although there were many losses and tragedies that occurred as the result of the storm, we are thankful for the safety of our Herc Rentals team members and proud to work with the best team in the industry.



## RECOGNIZING OUR PEOPLE

Herc Rentals’ Spotlight Awards program provides employees with the opportunity to nominate other individuals in the company who demonstrate the company’s values. Winners are publicly recognized and presented with an award, including a gift of the employee’s choosing. In 2022, we set a new record for the number of award nominations, with 826 awards presented.

After canceling the company annual in-person ProExpo event in 2021 due to the ongoing pandemic, Herc Rentals was excited to bring this event back in 2022. The event—which featured an equipment showcase, regional meetings, and networking events—was concluded with an awards ceremony to recognize top performers in the company for the prior year. Award recipients were nominated by senior leadership in categories including safety, purpose, and sales, based on their extraordinary accomplishments and commitment to Herc Rentals’ values.

### SPOTLIGHT AWARDS

YEAR	NUMBER OF WINNERS
2022	826
2021	659
2020	465



# LOCAL COMMUNITIES



At Herc Rentals, we believe that our philanthropic and volunteer activities are best managed at the local level, with each of our equipment-rental branches basing their efforts on available resources and community needs. Team members also provide ongoing support to community programs across North America, such as volunteering for litter removal, organizing food and clothing drives, mentoring disadvantaged youth and participating in building projects, tree planting, blood drives, health awareness and benefit walks, and working with vulnerable children and communities. More specialized volunteer efforts by our Cinelease Studios team members included supporting children and student theater programs.

In 2022, the company continued to support employee volunteers working with local Habitat for Humanity chapters to build homes and match the funds our team members raised. This project was first initiated by our employee resource group, Women in Action, at the Field Support Center in Bonita Springs, FL, and expanded to other areas of the country.

In 2022 three of our branches volunteered on Habitat for Humanity build projects in Atlanta, GA; Fort Myers, FL and Worcester, MA. Five Habitat for Humanity chapters and Habitat International received funds raised by our employees and Herc Rentals which provided Habitat for Humanity of Lee and Hendry Counties, FL, with a \$50,000 donation and the various local chapters received over \$20,000 in combined collections from employees.

Other charitable highlights for 2022 included donations of approximately \$150,000 combined for SWFL Children's Charities Inc., Milford Regional Healthcare Foundation, and Alzheimer's Association and employee disaster relief.

# LOCAL COMMUNITIES



## PROGRAMS TO EXPAND SUSTAINABILITY AWARENESS

Sustainability and climate change were highlighted with a program in the spring of 2022 to encourage Earth Day activities throughout the company. A contest focused on eco-centric projects was held as well as a communications campaign to promote sustainability practices throughout the organization. The top three winners included local efforts in Oak Creek, WI; to support 150 Girl Scouts in planting trees for their community; a city cleanup effort on the island of Oahu, HI; and a quarterly cleanup project spearheaded by one of our team members in Vallejo, CA.

A Sustainability Idea Contest was also initiated in late 2022 with winners announced in early 2023. Approximately 160 entries were submitted with winning ideas detailing customer-focused ideas to support the reduction of GHG emissions as well as free training for military veterans. Our operations team is now pursuing a number of the submitted ideas to implement as best practices throughout the organization.

## PRIORITIZING OUR EFFORTS THROUGH VOLUNTEER PAID TIME OFF

Our 25+ member ESG Steering Committee was surveyed to prioritize the activities that best represent our company's purpose and culture. The three major pillars that now guide our local volunteer efforts include:

### CHILDREN AND FAMILIES

- ▶ Habitat for Humanity
- ▶ Toy & book drives
- ▶ Wreaths Across America
- ▶ Veterans resources
- ▶ Non-profit support\*

### FEEDING THE HUNGRY

- ▶ Food drives
- ▶ Volunteering for food deliveries/shelters
- ▶ Cooking for shelters
- ▶ Non-profit support\*

### ENVIRONMENT & SUSTAINABILITY

- ▶ Community cleanups
- ▶ Earth Day activities
- ▶ Planting trees
- ▶ Trail maintenance
- ▶ Non-profit support\*

\* Note: Non-profit support can include many types of volunteer activities, which include events, fundraising, serving on a board, and supporting their mission.

In January 2023, we announced a new benefit program called Volunteer Paid Time Off (VPT). The program encourages volunteerism by allowing each team member eight hours of paid leave to volunteer on a project that fits our major pillars. We're excited to add this new benefit to encourage all of our employees to have the chance to volunteer during work hours.



## DRIVING OUR PURPOSE

The company introduced "The Purpose Award" last year to recognize the employees who best represent our purpose to "equip our customers and communities to build a brighter future." The entire ProSolutions team was recognized for their outstanding work to support the Florida communities impacted by Hurricane Ian in September 2022 at the company's 2023 ProExpo Conference for our operations and field support leaders.



# ENVIRONMENTAL MANAGEMENT

At Herc Rentals, we are focusing on minimizing energy and water consumption and employing sound waste disposal practices. In doing so, we commit to environmentally sound practices to reduce the impact on our surrounding communities.

As we continue to integrate sustainability in our core operations we take pride in being an active and responsible corporate citizen. We are implementing an energy reduction strategy within our operations and supporting our customers by providing fuel-efficient and responsible alternatives. We support sustainability initiatives to successfully keep up with the future energy transition and are committed to reducing carbon emissions.

We developed a long-term plan that outlines major projects in all operational and administrative departments that leads to reductions of our environmental impact to our communities and stakeholders. The Environmental Action Plan is provided on page 34.

Scope 1 & 2  
GHG emissions  
intensity down  
**5%**



# ENVIRONMENTAL MANAGEMENT



## MILESTONES IN 2022

- ▶ Reduced CO<sub>2</sub>e emissions intensity by 17% from 2019 baseline, achieving nearly 70% of our 2030 goal.
- ▶ Improved environmental scores across multiple scoring platforms (ISS, EcoVadis, MSCI) and received Silver 2022 EcoVadis Sustainability Rating ranked at 72nd percentile (up from 62nd percentile in 2021).
- ▶ Named one of America's Most Responsible Companies by Newsweek in 2022.
- ▶ Reduced non-toxic waste to landfill intensity by 20% from 2019 baseline, achieving 80% of our 2030 goal.
- ▶ Avoided approximately 1,175 metric tons of CO<sub>2</sub> emissions through LED upgrades and rooftop solar panel systems.
- ▶ Reported on 3 of 10 material Scope 3 emissions metrics.
- ▶ Responded to Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Climate Disclosure Project (CDP) Climate Change questionnaire, and expanded Global Reporting Initiative (GRI) and Sustainable Accounting Standards Board (SASB) disclosures.
- ▶ Reported 38% of addressable rental fleet count is electric or hybrid.
- ▶ Completed review of ESG IT-solution and committed to implementation by 2024.
- ▶ Senior management performance evaluation included sustainability goals in 2022. More specific quantifiable goals were added for the 2023 review.
- ▶ Created Customer ESG Focus Taskforce to improve customer solutions.
- ▶ Conducted a Sustainability Idea Contest starting in November 2022 and ending in January 2023 with nearly 160 submissions and approximately 60% related to reducing waste generation and energy consumption.
- ▶ Created an Environmental Action Plan to prioritize short-, mid-, and long-term sustainability initiatives to meet our goals.

# ENVIRONMENTAL MANAGEMENT



## ENVIRONMENTAL MANAGEMENT POLICY

Herc Rentals is committed to minimizing the impact of operations on the environment by implementing programs that incorporate sound environmental policy and sustainability practices. We operate in accordance with all relevant local, state, and federal regulations and strive to use pollution prevention and best management practices throughout our branches. Our corporate operations will provide the guidance and resources to the rental operations as regulation changes or conditions are found that need to be addressed. The support and guidance to the Policy can be found in our internal Environmental Procedures.

### Our stated commitments:

- ▶ Handle, store, and dispose of substances that are defined as hazardous material in compliance with local, state, and federal regulations.
- ▶ Reduce, reuse, and recycle our waste products when applicable.
  - Company goal to reduce intensity of non-hazardous (i.e. non-toxic) landfilled waste by 25% from 2019 baseline by 2030.
  - Continue to monitor hazardous waste activity to ensure recycling and incineration are utilized over landfill disposals.
- ▶ Recognize water as a fundamental right by minimizing water consumption and ensuring safe treatment within our branches by incorporating innovative design of wastewater treatment systems.
- ▶ Minimize energy consumption by employing energy reducing initiatives.
  - Company goal to reduce Scope 1 and Scope 2 greenhouse gas emissions intensity by 25% from our 2019 baseline by 2030

- Update lighting and HVAC with lower energy consuming sources when applicable or expired
- Negotiate utility sources for most renewable source available when applicable, which includes solar power generation at Herc Rentals facilities when feasible
- ▶ Conduct regular training for employees working with petroleum storage tanks.
- ▶ Develop and maintain appropriate emergency and spill response programs.
- ▶ Reduce environmental impact by utilizing low impact products where possible.
- ▶ Monitor the environmental impact of our business practices and review our progress on a continual basis.
- ▶ Promote environmental stewardship and best management practices to our customers, vendors, and employees.
- ▶ Continuously improve our Environmental Management System (EMS).

## ENVIRONMENTAL MANAGEMENT SYSTEM

The EMS is employed to support compliance with all local, state and federal regulations governing our operations. Our operations generally do not raise significant environmental, health, or safety risks, but we use hazardous materials to clean and maintain equipment, dispose of solid and hazardous waste and wastewater from equipment washing, and store and dispense petroleum products from storage tanks at a number of our locations.

# ENVIRONMENTAL MANAGEMENT

## CLIMATE-RELATED RISKS

The impact of climate-related risks on our business and results of operations is detailed in our Form 10-K for the fiscal year ending December 31, 2022.

## CLIMATE-RELATED OPPORTUNITIES

Sustainability experts believe that the passage of the Inflation Reduction Act in August 2022 will be one of the largest investments in combating climate change in US history. Combined with the passage of the Infrastructure Investment and Jobs Act and CHIPS and Science Act, these initiatives provide substantial opportunities for the company to provide fuel-efficient equipment to support the construction of these mega industrial and infrastructure projects.

Our rental business model supports the circular and sharing economies by avoiding the purchase of equipment by our customers. This cost- and fuel-efficient alternative also avoids the incremental emissions related to manufacturing and is at the heart of our long-term growth strategy.

## ENVIRONMENTAL ACTION PLAN

In 2022, we proposed short-, mid-, and long-term initiatives to meet our long-term ESG goals.

### SHORT-TERM 2019-2024

- ▶ Upgrade facility lighting (LED)
- ▶ Evaluate solar PPA options
- ▶ Pilot EV trucks
- ▶ Purchase electric/hybrid fleet
- ▶ Survey energy & water reduction opportunities at all locations
- ▶ Implement Scope 3 GHG accounting
- ▶ Develop additional KPIs
- ▶ Assess climate-related materiality
- ▶ Establish third-party verifications
- ▶ Develop methodology for tracking customer carbon emissions

### MID-TERM 2025-2028

- ▶ Research payback & develop long-term facility equipment retrofit plan
- ▶ Install recycling systems at high water-stressed locations and develop long-term water reduction strategy
- ▶ Research chemical and supplier waste reduction strategies
- ▶ Evaluate long-term target reductions
- ▶ Continue to purchase electric/hybrid fleet
- ▶ Consider net-zero & SBTi commitment

### LONG-TERM 2029-2035

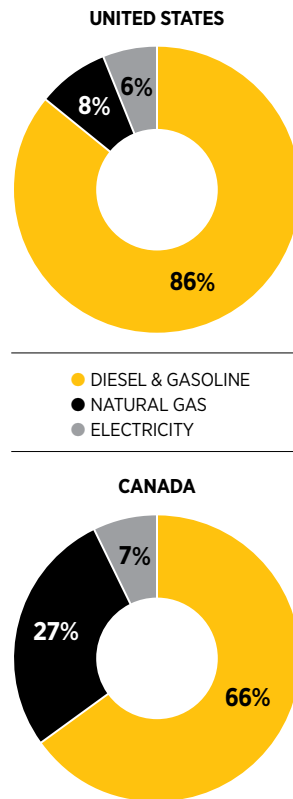
- ▶ Implement facility equipment upgrades
- ▶ Install water savings devices
- ▶ Continue sourcing electric or alternative fuel-powered equipment/vehicles for rental fleet
- ▶ Evaluate long-term purchase of high-quality carbon offset credits
- ▶ Potential implementation of chemical and supplier waste reduction strategy

# ENVIRONMENTAL MANAGEMENT

## ENERGY REDUCTION STRATEGY

Developing a strategy to reduce emissions should not only identify energy efficient or net-zero alternatives but should consider location- or region-specific energy demands. With the anticipated implementation of a data management system to track branch level consumption of energy, waste, and water consumption as well as carbon accounting, we expect to drive additional region-specific initiatives. An example of how we can see non-enterprise level opportunities is in the breakout of energy use by country.

## ENERGY USE BY COUNTRY



## ENERGY REDUCTION SYSTEMS

### ENERGY SAVING METRICS

	2019	2020	2021	2022
Number of Facilities with Upgraded Lighting <sup>1</sup>	99	114	132	169
% of Facilities with Upgraded Lighting (total)	36%	41%	44%	47%
Spend on Lighting Upgrade (\$USD) – estimated <sup>1</sup>	<\$200K	<\$200K	<\$200K	\$800K
Energy Saved by LED Installs (MWh) – estimated <sup>2</sup>	199	279	484	1,369

1. Facility numbers and spend are estimated by project summary reports, asset validation of spend, and branch manager surveys for 2019 through 2022.
2. Energy savings are estimated for 2019 through 2021 by assumptive calculations based on percentage of LED lighting and a conservative estimate of 10% annual energy savings. For 2022, we used a combination of these assumptions and energy savings estimates provided by the install contractors.

Natural gas usage at our Canada locations makes up nearly one third of the total energy consumption compared to less than 10% in the United States. Piloting natural gas energy efficiency may be more meaningful in Canada than in the United States, considering Canada is already a leader in utilizing renewable energy sources for electricity.

### OPPORTUNITIES

We have identified the following opportunities within our facilities infrastructure:

**LED lighting** — During 2022, we installed LED lighting in 37 additional locations, with an increase in projects by over 100% from the previous year. Nearly 50% of our locations now have upgraded LED lighting, and we estimate that roughly 1,369 MWh of electricity consumption was conserved, which resulted in approximately 700 MT CO<sub>2e</sub> avoided Scope 2 GHG emissions.

**Heating, ventilation and air conditioning (HVAC)** — Our facilities undergo preventative maintenance for HVAC, which increases operating efficiency of our facility and office spaces. We will evaluate opportunities for retrofitting or replacing HVAC equipment with more energy efficient and modern systems that can impact a significant portion of our infrastructure energy demand.

**Renewable energy sources** — We currently have 10 locations with roof-top solar panel systems with an estimated

production capacity of roughly 670 MWh in renewable energy per year. We are evaluating a rooftop solar installation portfolio proposal that took much of 2022 to develop. By implementing a larger solar footprint, the energy consumed from the electricity grid would be greatly reduced and drive down emissions by transitioning from non-renewable energy sources to renewable energy sources.

**Branch level monitoring** — In 2022, we reviewed several ESG data collection and management software packages and are in the process of procuring a system for implementation by 2024. As we bring our energy consumption data to branch-level monitoring, we anticipate capturing the remaining 10% to 15% of energy consumption data and develop branch-level sustainability KPIs.

**Electric and alternative-fuel powered vehicles** — We contracted the purchase of electric vehicles, hybrid trucks and other low-emission equipment in 2022 as part of the development of an EV roadmap through 2027. We expect to offer more EV in our assigned fleet as well as our fleet for rent. We can further reduce inefficient consumption by replacing older model assigned trucks with new and/or EV models within our operations. Please see our section on Responsible Supply Chain for more details.

# ENVIRONMENTAL MANAGEMENT

## ENERGY CONSUMPTION AND SCOPE 1 & 2 GHG EMISSIONS

We remain committed to reducing GHG emissions intensity within our organization as well as supporting our customers' strategy by transitioning to using more zero-emission and alternative fuel-efficient fleet.

The highest impact to Scope 1 and 2 emissions is related to our delivery, sales, and service fleet, at over 80% of our total Scope 1 and 2 emissions in the United States and nearly 70% in Canada. Less than 20% of these emissions at the enterprise level are attributed to our buildings and administrative support services that include electricity usage and natural gas onsite consumption in our heating systems.

As we achieved substantial growth in 2022 through acquisitions and new greenfield locations, our consumption of energy surpassed pre-Covid energy consumption levels. With the continued expansion of our business, it is expected that energy consumption-linked greenhouse gas emissions would also increase. To normalize the dynamic of growth in our energy and carbon emissions accounting, we have adopted the use of an intensity factor using revenue. Another intensity factor that is useful is by total number of locations or total headcount of employees.

In 2022, we reported a 17% reduction from our 2019 baseline year for Scope 1 and 2 GHG emissions intensity. This means that we have already met 70% of our goal of a 25% reduction by 2030.

## ENERGY USE<sup>1</sup>

### ENERGY CONSUMPTION – INTERNAL OPERATIONS

	2019	2020	2021	2022
Number of Branches (unique address)	273	277	312	356
United States	243	246	277	306
Canada	30	31	35	50
Revenue (millions or \$M USD)	\$1,999	\$1,781	\$2,073	\$2,739
Fuel Consumed – Internal Fleet (total MWh) – enterprise level	411,079	364,029	363,415	463,482
Diesel <sup>2</sup>	268,161	229,625	230,887	289,289
Gasoline <sup>2</sup>	98,804	95,362	91,017	124,533
Natural Gas <sup>3</sup>	44,114	39,042	41,511	49,658
Electricity Consumed from Grid – (MWh) – enterprise level <sup>3</sup>	25,832	25,476	29,304	31,055
Total Energy Consumption (MWh) – enterprise level	436,911	389,505	392,718	494,535
United States	387,114	346,936	345,640	437,924
Canada	49,797	42,568	47,078	56,612
Energy Intensity by \$M Revenue – enterprise level	218.6	218.7	189.4	180.6
Energy Intensity by Branch (MWh per Branch)	1,600.4	1,406.2	1,258.7	1,389.1
Percentage of Energy from Grid	5.9%	6.5%	7.5%	6.3%

1. Restatements: natural gas and electricity at enterprise level 2019-2021 were restated with <1% difference due to breaking out US and Canada by recollecting updated utility data in March of 2023. Diesel and gasoline fuel consumed was restated for 2019-2021 due to immaterial data processing corrections on product classification and end-of-year transactions.

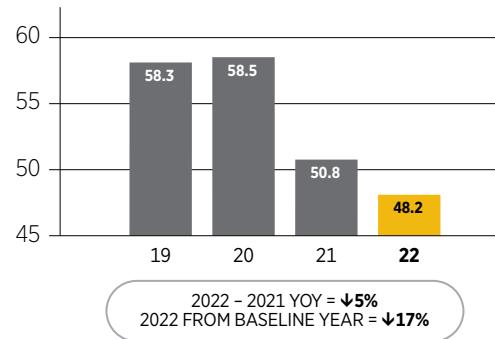
2. Fuel usage by direct operations is calculated by a combination of data for branch fuel deliveries and commercial gas station fuel purchases. Any customer fuel provided upon rental, refills, or other purchased fuel dropped at customer jobsites by third-party fuel providers is counted in our Scope 3 GHG emissions estimate in the next section.

3. Electricity and natural gas usage data are collected from a summary report of our utility invoices for at least 90% of our branches. Electricity is derived from roughly 23% (United States locations) to 30% (Canada locations) renewable energy sources averaged per eGRID region data summary on EPA Power Profiler and Government of Canada Emission Factors and Reference Values that provides the percentage of fuel source (i.e., natural gas, nuclear, coal, wind, hydro-electric, solar, natural gas, and other sources used in the electricity production). Electricity produced from roof-top solar panel systems at ten locations is <0.2% of total energy consumption and is not included in this table.

# ENVIRONMENTAL MANAGEMENT

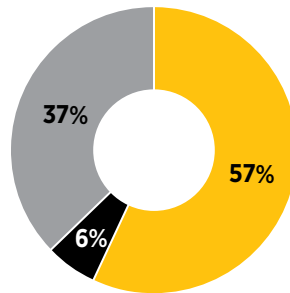
## SCOPE 1&2 GHG EMISSIONS INTENSITY

Metric Tons CO<sub>2</sub>e per \$M



## PERCENTAGE OF ENERGY SCOPE

Per GHG Emission Category



● SCOPE 1	
Fuel used in operations	53%
Natural gas used in facilities	4%
● SCOPE 2	
Electricity	6%
● SCOPE 3	
Fuel sold in rentals	25%
Third party freight	11%
Air travel	1%

## GREENHOUSE GAS EMISSIONS – INTERNAL OPERATIONS<sup>1</sup>

GHG EMISSIONS – INTERNAL OPERATIONS (MT CO <sub>2</sub> e)	2019	2020	2021	2022
Scope 1 Emissions (direct) – enterprise level	105,681	93,526	93,177	119,071
United States	95,031	84,314	82,603	106,297
Canada	10,650	9,212	10,574	12,774
Scope 2 Emissions (indirect, market-based) – enterprise level	10,780	10,631	12,229	12,960
United States	8,876	9,020	10,824	11,328
Canada	1,904	1,611	1,404	1,632
Scope 2 Emissions (indirect, location-based) – enterprise level	9,553	9,401	10,775	11,194
Scope 2 emissions avoided (market based) – enterprise level (MT CO <sub>2</sub> e) <sup>2</sup>	616	671	816	1,175
Scope 1 and 2 Emissions (market-base)	116,461	104,157	105,406	132,030
Scope 1 and 2 Emissions Intensity by \$M Revenue	58.3	58.5	50.8	48.2
Scope 1 and 2 Emissions Intensity by Branch	427	376	338	371
Employee Head Count	5,100	4,800	5,600	6,600
Scope 1 and 2 Emissions Intensity by Employee Head Count	22.8	21.7	18.8	20.0

1. Restated Scope 1 and 2 GHG emissions based on the restatements in energy. Additionally, diesel, gasoline, and natural gas emission factors for converting fuel to greenhouse gas were updated by US Energy Information Administration (EIA) on October 5, 2022, and although immaterial (<0.2% difference in output metric), we adjusted our reported Scope 1 and the combined Scope 1 and 2 metrics above.
2. Avoided emissions are a measure of positive impact resulting from the use of onsite solar energy produced at ten locations and the reduced electricity consumption assumed by continuing to upgrade to more energy-efficient lighting at our facilities. We are not subtracting the avoided emissions.

Scope 1 Greenhouse Gas (GHG) emissions are attributed to direct company operations (fuel and natural gas consumption through company-controlled equipment). Scope 2 GHG emissions come from indirect operations upstream of the grid source of where we receive our purchased electricity and we report both market-based and location-based emissions. GHG emissions calculated as CO<sub>2</sub> equivalents account for at least 99% of in our type of emissions.

Other contaminants in GHG emissions generated directly during combustion of diesel, gasoline, and natural gas and indirectly through power production include methane, nitrous oxide, nitrogen oxides, sulfur oxides, and potentially other minimal compounds. Based on the low values of these

contaminants of our total emissions (<1% combined), the metric standard is to report in carbon dioxide equivalents (CO<sub>2</sub>e). Although these emissions are very low, they are known to be more harmful than CO<sub>2</sub>, such as nitrous oxide is 300 times and methane is nearly 100 times more potent than CO<sub>2</sub> in terms of global warming potential.

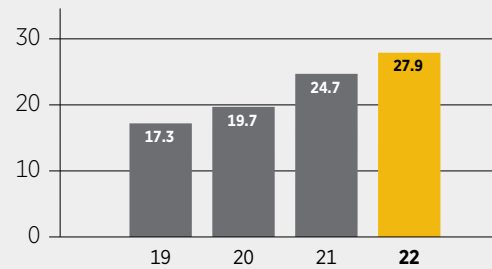
# ENVIRONMENTAL MANAGEMENT

## SCOPE 3 GHG EMISSIONS

Energy consumption through upstream and downstream processes in our value chain results in greenhouse gas emissions that are outside of our direct control and defined as Scope 3. Scope 3 emissions include 15 categories of GHG emissions, of which we believe ten to be significant to our operations. To date, we have estimated emissions of three of these categories, including fuel sold to customers during rent and on-site refueling, business travel, and third-party hauling between branches and customer jobsites. We previously estimated emissions introduced during waste and water treatment and disposal process; however, the amount is immaterial, with less than 0.1% of total emissions.

### SCOPE 3 GHG EMISSIONS INTENSITY BY REVENUE

Metric Tons CO<sub>2</sub>e per \$M



Our intention is to report on additional Scope 3 emissions annually until we provide data for all ten relevant categories. With each addition, a restatement of total Scope 3 GHG emissions and intensity will be made. In reporting additional categories, we can complete a full carbon accounting profile and perform long-term scenario analyses of carbon emission reduction strategies. We will be evaluating the impact of committing to science-based targets and carbon offsetting using viable renewable energy and carbon capture projects.

## VALUE CHAIN – INDIRECT ENERGY USE & GREENHOUSE GAS EMISSIONS<sup>1</sup>

UPSTREAM AND DOWNSTREAM INDIRECT SOURCES	2019	2020	2021	2022
Energy Consumption from Upstream and Downstream (MWh)	129,123	131,176	191,762	285,527
Emissions from Business Travel (airfare) (MT CO <sub>2</sub> e) <sup>2</sup>	2,061	976	1,112	2,289
Emissions from Third-party Freight (MT CO <sub>2</sub> e) <sup>2</sup>	9,344	10,414	17,077	22,060
Fuel Sold in Rentals (MT CO <sub>2</sub> e) <sup>3</sup>	23,112	23,696	33,116	52,011
Total Scope 3 GHG Emissions (MT CO <sub>2</sub> e) – enterprise	34,518	35,086	51,306	76,360
United States	29,027	31,479	46,147	70,250
Canada	5,490	3,607	5,159	6,110
Scope 3 GHG Intensity by \$M Revenue	17.3	19.7	24.7	27.9

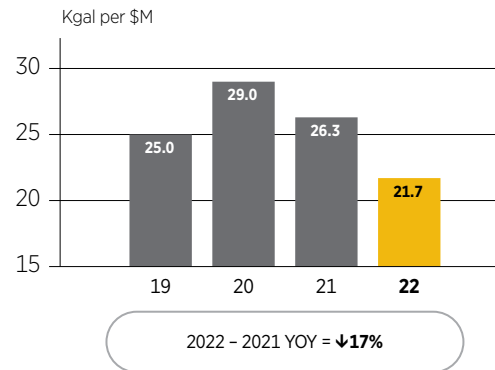
1. Scope 3 GHG emissions are estimated from fuel consumption from business travel (jet fuel), third-party freight (diesel), and fuel sold to our customers (diesel and gasoline only at this time). With the addition of third-party freight and private air travel, the total Scope 3 emissions have been restated for all reported years above. Estimates and assumptions follow guidance from the GHG Protocol and the US Environmental Protection Agency. Emission factors used for conversion of fuel were updated by US Energy Information Administration on October 5, 2022, and although immaterial (<0.2% difference in output metric), we adjusted our reported values of the three Scope 3 categories above.
2. Business travel (commercial and private airfare) and third-party freight mileage from delivery of our fleet is converted to energy consumption and emissions.
3. Gallons of fuel purchased for rental equipment is summarized for initial fill at our branches and refueling requests at customer jobsites. Fuel sold to customers was previously categorized as "fuel consumption from rentals". Although the category is true to definition, the volume of fuel consumption from rentals is not accurate. We have only measured the volume of fuel sold to customers during initial fills for rentals and any requested on-site refueling processes. Additional fuel used by customers processed by their own hands has not been validated at this time.

# ENVIRONMENTAL MANAGEMENT

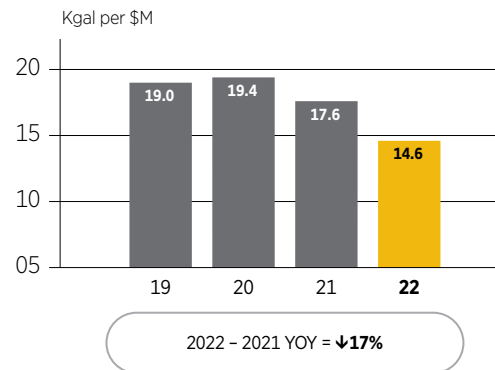
## WATER AND WASTEWATER

As we continued to grow our business and increase our number of branches in 2022, we increased the absolute consumption of water as well as other utilities. However, calculating our intensity level by revenue, we reported a 17% YOY reduction in water and 17% YOY reduction in wastewater consumption intensity in 2022 compared to 2021. We are pleased that we nearly doubled the YOY reduction from the previous year.

### WATER INTENSITY BY REVENUE



### WASTEWATER INTENSITY BY REVENUE



## WATER AND WASTEWATER<sup>1</sup>

SOURCE	2019	2020	2021	2022
Water Consumption (kilogallons) <sup>2</sup>	51,304	53,027	56,718	61,479
Municipal/Utility	49,995	51,724	54,485	59,321
United States	46,763	49,348	51,839	56,231
Canada	3,232	2,376	2,646	3,090
Groundwater (estimated)	1,308	1,303	2,382	2,158
Water Intensity by \$M Revenue <sup>3</sup>	25.0	29.0	26.3	21.7
Wastewater (kilogallons)				
Municipal/Utility	38,021	34,544	36,401	40,021
Septic Systems (estimated)	2,939	2,650	3,512	3,529
Wastewater Intensity by \$M Revenue <sup>3</sup>	19.0	19.4	17.6	14.6

1. Water and wastewater data from utility billing is collected for over 85% of our branches with an additional 5% known to have a potable well and/or septic system. Groundwater withdrawal is estimated based on average municipal consumption per branch. Similarly, the wastewater portion for septic systems is calculated based on known septic system locations.
2. Water was restated for 2019-2021 due to breaking out US and Canada usage with updated utility summary reports. The difference was less than 1%.
3. Water and wastewater intensity is a factor of municipality-invoiced consumption only. No additional wells or septic systems were validated for 2022. This metric for wells and septic systems is considered immaterial at this time.

## WATER REDUCTION SYSTEM AS OF DECEMBER 31

### WATER RECYCLING SYSTEMS

	2019	2020	2021	2022
Percentage of Facilities with Recycle-Wash Bay Systems	31%	33%	33%	32%
Ratio of Recycle-Wash vs. Non-Recycle-Wash Bay Systems	0.45	0.50	0.49	0.47

Some branches have more than one type of wash bay system. We estimate 32% of water is reused by the recycle-wash bay systems. We are not including the re-used portion of water in our calculation of water consumption at this time.

As we further develop our water metrics and commitments, the continued reduction in water and wastewater intensity gives us confidence in the direction we are taking. We continue to track our additions of recycle-wash bay systems and have included this initiative in our Environmental Action Plan for tackling areas of high water stress.



# ENVIRONMENTAL MANAGEMENT

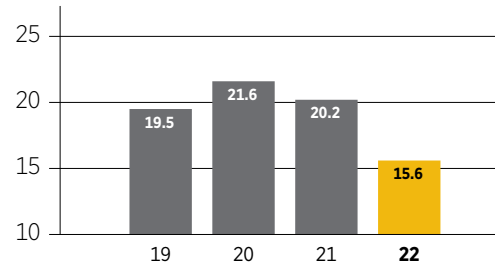
## WASTE MANAGEMENT

Equipment maintenance results in a variety of business waste streams that we have reviewed for their end disposal method and others have been replaced with more environmentally friendly and safer options such as aqueous parts washers compared to solvent-based washers.

Other business waste includes our administrative operations. We continue to track the total tonnage of all generated waste that we divert from landfills every year.

### NON-TOXIC LANDFILL WASTE INTENSITY

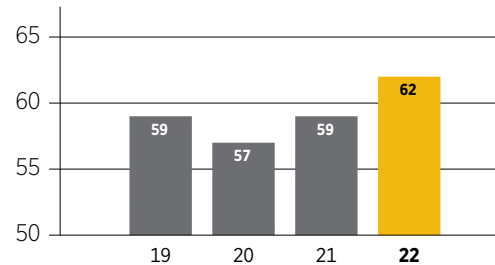
Metric Tons per \$M x10



2022 - 2021 YOY = **↓23%**  
2022 FROM BASELINE YEAR = **↓20%**

### WASTE DIVERSION RATE

% Recycled and Incinerated of Total Waste



2022 - 2021 YOY = **↑5%**  
2022 FROM BASELINE YEAR = **↑5%**

## WASTE DISPOSAL

WASTE <sup>1</sup>	2019	2020	2021	2022
Total Waste Generated within Organization (metric tons)	9,418	8,870	10,172	11,277
Hazardous Waste Generation (total) <sup>2</sup>	18	33	26	33
Landfilled	0.5	0	0	0
Energy Recovery (incineration)	6	22	15	21
Recycled	12	11	11	12
Non-Hazardous Waste Generation (total) <sup>3</sup>	9,400	8,837	10,146	11,244
Landfilled	3,902	3,852	4,177	4,280
Energy Recovery (incineration)	102	48	189	96
Recycled	5,396	4,937	5,779	6,868
Material Waste Intensity (landfill only) by \$M Revenue				
Hazardous Waste (x1000)	0.2	0.0	0.0	0.0
Non-hazardous Waste (x10)	19.5	21.6	20.2	15.6
Closed-loop Recycled Oil (gallons)	217,514	220,009	216,759	243,381
Emissions Avoided from Recycled Oil (MT CO <sub>2</sub> e)	2,178	2,203	2,171	2,437
Diversion Rate (% of Recycled and Incinerated of Total Waste)	59%	57%	59%	62%

1. Waste categories in summaries provided by our national vendors were classified as landfilled, incinerated, or recycled for the end disposal method, and all units converted to metric tons. The waste in this report represents at least 80% of our facilities.
2. Only waste classified as hazardous by the US Resource Conservation and Recovery Act (RCRA) is used in the hazardous waste summary. On this basis, Canada reported no hazardous waste.
3. A large portion of waste sent to landfill is sediment from our wash bays, which accounts for approximately 20% of the total non-toxic landfill waste, however the majority is considered beneficial cover (i.e., diverted by re-use).

The majority of our business waste streams is already diverted from landfills as reported by our 62% diversion rate. We introduced mixed recycling at nearly 15% more branches in 2022 than in 2021 as well as re-introduced recycling at our Field Support Center where over 400 employees are located at our corporate headquarters. We employ a variety of recycling and waste minimization practices. For more details, see GRI 306-4.

During the 2022 operating year, we tripled YOY reduction in non-hazardous landfill waste intensity from last year's report, and report a 20% reduction from our base year of 2019. We have met 80% of our 2030 goal to reduce the metric by 25% of our base year. We are pleased to report that none of our landfilled waste for the past three reporting years has included any federally classified hazardous waste.



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# RESPONSIBLE SUPPLY CHAIN



As one of the largest equipment rental companies in North America, Herc Rentals supplies a broad range of equipment including material handling, aerial, earthmoving, transportation, power generation, climate control and remediation, pump and trenching, landscaping, and lawn care, building maintenance and lighting equipment. We help customers optimize their efficiency by providing equipment when they need it and optimize the utilization of our broad range of equipment through offerings to diverse customers.

## **VENDOR CODE OF CONDUCT**

Herc Rentals is committed to a policy of fair, honest, and ethical business practices and conduct, including all principles outlined in our Code of Ethics, and to full compliance with all applicable laws and government regulations wherever we operate. This commitment extends to vendors and suppliers, who we hold to the same standards and principles by which we operate.

These standards and principles include adherence to UN Guiding Principles on Business and Human Rights and international human rights principles encompassed by the Universal Declaration of Human Rights, including those contained within the International Bill of Rights and the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work.

We expressly forbid Herc Rentals' vendors and suppliers from the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, any form of slavery and any form of human trafficking. We also prohibit vendors and suppliers from hiring or contracting individuals that are under 18 years of age for positions in which hazardous work is required in the production and fulfillment of Herc Rentals' requested goods and services.

Herc Rentals is a federal contractor that complies fully with all federal laws and regulations and, accordingly, requires its vendors and suppliers, as well as their contractors and subcontractors, to comply with all applicable laws and regulations in the production and fulfillment of

# RESPONSIBLE SUPPLY CHAIN



Herc Rentals' requested goods and services. Herc Rentals requires an active commitment to, and personal accountability for, safety and safety compliance from all employees and contractors. Because safety is our most important priority, Herc Rentals expects its supplier and vendor representatives to adhere to all company safety requirements and applicable state and federal safety regulations while visiting company facilities. To support that expectation, Herc Rentals' Contractor Safety Guide stipulates specific safety practices and actions that all contractors must follow. Failure to comply with Herc Rentals' safety requirements will result in contractor representatives being asked to leave the company's premises.

Herc Rentals is committed to minimizing the impact of its equipment rental operations on the environment by implementing programs that incorporate sound environmental policy, best management practices and by operating in accordance with all relevant local, state, and federal/national regulations everywhere we operate. The company expects all its vendors and suppliers to operate with the same accountability related to sound environmental practices and, where applicable, will seek documentation from vendors and suppliers certifying the existence of an environmental management system governing the production and fulfillment of Herc Rentals' requested materials and goods.

## **COLLABORATING WITH OUR SUPPLIERS**

In 2022, we collaborated with key suppliers to develop a new survey that we are introducing in 2023 to ensure our suppliers and contractors review and abide by our Vendor Code of Conduct and Human Rights Policies in their operations and materials sourcing. We aspire to be the supplier of choice and to that end, choose to work with business partners who share our commitment to our social and environmental principles.

## **LEADING THE INDUSTRY WITH TIER 4 COMPLIANT EQUIPMENT**

Over 98% of our applicable equipment rental fleet is Tier 4 compliant. Tier 4 refers to the emission milestone established in 2014 by the U.S. Environmental Protection Agency and the California Air Resources Board applicable to new engines found in off-road equipment, including construction, mining and agricultural equipment, marine vessels and workboats, locomotives and stationary engines found in industrial and power generation applications. Tier 4 compliant engines significantly reduce emissions of particulate matter (PM) and oxides of nitrogen (NOx) to near zero levels. Relative to previous emissions standards, Tier 4 compliant engines reduce emissions by over 95% for most agricultural and construction equipment and just over 86% percent for much larger applications like locomotives and marine vessels. Herc Rentals made an early commitment to buy new Tier 4 compliant equipment, even when there was the opportunity to refurbish older equipment at a lesser cost, so that our customers would have the most efficient and environmentally friendly equipment on the market. We are committed to maintaining a fleet of equipment that does the least damage to the environment.

# RESPONSIBLE SUPPLY CHAIN



## INCREASING ENERGY-EFFICIENT FLEET

In partnership with our suppliers, we are increasing the number of other energy-efficient and hybrid products in our fleet, with some categories — such as material handling and light towers — offering up to 50% greater fuel efficiency than legacy products. Diesel-powered light towers equipped with LED technology are 22% more fuel efficient (gallons per hour) than units with metal halide bulbs. We continue to increase the percent of light towers configured with LED technology and look to new product innovations to continue to enhance fuel-efficiency and reduced carbon emissions.

Our environmentally friendly fleet also includes a range of battery-powered and hybrid aerial equipment such as electric atrium lifts, electric articulating booms, electric scissor lifts and electric air compressors. Our New Product Development Task Force meets regularly to work with OEM suppliers to both create and review new equipment that furthers fuel-efficiency and effectiveness.

## ELECTRIC AND BATTERY SOLUTIONS

In 2022, our overall EV or hybrid equipment accounted for 38% of our equipment count and about 15% of our overall OEC fleet. As new products become available in the market, we will continue to invest in the most fuel-efficient and carbon neutral equipment to provide solutions for our customers.

We continuously look for opportunities to enhance our customers' efficiency and work with several leading original equipment manufacturers to develop extended-life battery powered, hybrid and fully electric solutions with the goal of zero emissions.

We began to transition our fleet of rental and internal-use half-ton pick-up trucks to be equipped with four-cylinder engines and our rental half-ton pickup trucks to the most fuel-efficient six- and eight-cylinder engines available a few years ago. These changes improved fuel economy by approximately 13% from the trucks they replaced. Last year, we also began ordering EV vehicles and cargo vans for both customer and internal use.

We are also now renting electric compact excavators and have continued to increase the percentage of battery or self-powered handling products, such as self-powered warehouse stackers, warehouse forklifts, and high-capacity straight mast forklifts and cranes.

## TECHNOLOGY INVESTMENTS IN THE RENTAL CONSUMPTION CHAIN

We recognize that digital transformation is accelerating, and we are prepared to ensure that Herc Rentals is well-positioned to serve our customers efficiently, effectively, and safely. One of the contributing factors to improving our customers' utilization and efficiency is the application ProControl NextGen®, our proprietary telematics application, on rolling fleet that tracks utilization or hours in service, service requirements, location, and other key performance metrics.

Each year, as we acquire new fleet, we increase the percentage of total applicable fleet that are telematics enabled. This trend is also enhanced by original equipment manufacturers

who are increasingly providing telematics on the equipment they produce to better track performance that is compatible with our ProControl system. Telematics-enabled equipment acquired over the last two years, is now approaching 50% of new fleet. These applications and other future enhancements will continue to position Herc Rentals as one of the leading equipment rental companies in North America.

Our near-term focus is in implementing systems that can accurately track carbon emissions from the various engines installed in our equipment. In the meantime, we will assist our customers in calculating estimated emissions to assist in tracking their carbon neutral goals.

## FOCUSED ON HEALTH AND SAFETY

We provide an array of equipment to control and avoid silica dust, which is a common material found in materials in roads, buildings, and sidewalks. OSHA standards require respirable silica dust management in the workplace, which affects nearly every construction site application. We assist customers with exposure control plan templates for the most common worksite applications and provide dust suppression and vacuum systems to safely contain and collect silica dust. In addition, our non-destructive radar inspection systems can make it easier to find and make reliable drilling locations, avoiding costly damage, lost time, and negative impact on the environment.



# GLOBAL REPORTING INITIATIVE (GRI) INDEX

For the period ending December 31, 2022

Our 2023 Corporate Citizenship Report, published on May 16, 2023, has been prepared in alignment with GRI Standards. This content index serves as a reference to locate the disclosure topics and standards currently utilized or within the listed public documents. Where information has not been publicly disclosed, additional details aligning to the GRI standards is provided here. For a detailed explanation of the standards, visit the [GRI website](#).

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 1: FOUNDATION 2021</b>				
GRI 1	This report reflects GRI 1: Foundation 2021.	Herc Rentals reports in alignment with GRI Standards 2021 for the period January 1, 2022 through December 31, 2022, unless other dates are provided.	<a href="#">Annual Report</a> <a href="#">Herc Rentals Sustainability</a>	
<b>GRI 2: GENERAL DISCLOSURES 2021</b>				
<b>THE ORGANIZATION AND ITS REPORTING PRACTICES</b>				
2-1	Organizational details	a. Legal name: Herc Holdings Inc. b. Nature of ownership and legal form is provided in our 2022 Annual Report - Form 10-K; "Our Company" and "Corporate History" c. Location of Headquarters: 27500 Riverview Center Blvd, Bonita Springs, Florida 34134 USA. d. Countries of operation: 356 locations in 42 states in the United States and five provinces in Canada.	<a href="#">Annual Report</a>	10-K: cover, 1 to 2
2-2	Entities included in the organization's sustainability reporting	See Subsidiary Listing dated December 31, 2022. The consolidated financial statements include the accounts of Herc Holdings and its wholly owned subsidiaries. See exhibit 21.1 listing attached.	<a href="#">Annual Report Exhibit</a>	10-K: Item 15, Exhibit 21.1
2-3	Reporting period, frequency and contact point	Our Corporate Citizenship Report is published annually in May. This report covers the 2022 fiscal and operating year, from January 1 through December 31, with certain additional YTD updates.  Our Financial Reporting Annual Report with Form 10-K is filed annually in February of the prior fiscal year. The most recent 10-K published report covers 2022 fiscal year from January 1 through December 31. Historically, the annual financial report is filed in February, whereas the sustainability report (i.e. Corporate Citizenship Report) is typically filed in May due to the time involved in environmental data collection and processing.  Publication dates: 10-K: February 14, 2023 2023 Corporate Citizenship Report: May 16, 2023  All questions, concerns, and feedback can be directed to: <a href="mailto:SustainabilityOffice@HercRentals.com">SustainabilityOffice@HercRentals.com</a>	<a href="#">Herc Rentals Sustainability Annual Report</a>	

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
2-4	Restatements of information	Few restatements were made and are included throughout the metric sections of the 2023 Corporate Citizenship Report.	<a href="#">Herc Rentals Sustainability</a>	21 to 23, and 35 to 39
2-5	External assurance	The data in this report has been validated by internal audit and financial review but has not been validated externally. We hope to do so in the future.	<a href="#">Herc Rentals Sustainability</a>	
<b>ACTIVITIES AND WORKERS</b>				
2-6	Activities, value chain, and other business relationships	"Our Company Strengths", "Diverse Customer Markets", and "Our Customers" 2022 Key Facts	<a href="#">Annual Report</a> <a href="#">Herc Rentals Sustainability</a>	10-K: 2 and 4 1
2-7	Employees	In 2023 Corporate Citizenship Report, we reported approximately 6,600 employees as of December 31, 2022. For GRI 2-7 accordance, we reported 6,716 total employees: 816 female, 5,897 male, 0 other, and 3 not disclosed; 6,710 permanent employees: 815 female, 5,892 male, 0 other, and 3 not disclosed; 6 non-guaranteed hours: 1 female and 5 male; 6,687 full-time employees: 806 female, 5,878 male, 0 other, and 3 not disclosed; 23 part-time employees: 9 female and 14 male. By regions, in the United States we reported 5,963 total employees, 5,961 permanent and 2 non-guaranteed hours; in Canada we reported 753 total employees, 749 permanent and 4 non-guaranteed hours.	<a href="#">Herc Rentals Sustainability</a> <a href="#">Annual Report</a>	1 10-K: 6
2-8	Workers who are not employees	Reason for omission: This information is unavailable or incomplete.		
<b>GOVERNANCE</b>				
2-9	Governance structure and composition	"Corporate Governance"	<a href="#">Proxy Statement</a> <a href="#">Governance Documents</a>	9 to 15
2-10	Nomination and selection of the highest governance body	"Selecting Nominees to the Board"	<a href="#">Proxy Statement</a>	13 to 14, and 51
2-11	Chair of the highest governance body	"Our Board Leadership"	<a href="#">Proxy Statement</a>	8
2-12	Role of the highest governance body in overseeing the management of impacts	"Strategic Oversight", "Environmental, Social and Governance", "Risk Oversight", and "Risk Considerations" 2023 Corporate Citizenship Report	<a href="#">Proxy Statement</a> <a href="#">Herc Rentals Sustainability</a>	9 to 12 8 to 12
2-13	Delegation of responsibility for managing impacts	"Strategic Oversight" and "Risk Oversight"	<a href="#">Proxy Statement</a>	10 to 11
2-14	Role of the highest governance body in sustainability reporting	"Environmental, Social and Governance"	<a href="#">Proxy Statement</a>	11 to 12
2-15	Conflicts of interest	"Certain Relationships and Related Person Transactions"	<a href="#">Proxy Statement</a>	47 to 48
2-16	Communication of critical concerns	"Stockholder Communications with the Board"	<a href="#">Proxy Statement</a>	15
2-17	Collective knowledge of the highest governance body	"Corporate Governance" and "Selecting Nominees of the Board"	<a href="#">Proxy Statement</a>	8 to 12
2-18	Evaluation of the performance of the highest governance body	"Board and Committee Evaluation Process"	<a href="#">Proxy Statement</a>	12



# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
2-19	Remuneration policies	"Executive Compensation Practices"	<a href="#">Proxy Statement</a>	19, 25, 26, 29, and 33
2-20	Process to determine remuneration	"Executive Compensation Program - Decision Making Process"	<a href="#">Proxy Statement</a>	20 to 21
2-21	Annual total compensation ratio	"Pay Ratio Disclosure"	<a href="#">Proxy Statement</a>	39
2-22	Statement on sustainable development strategy	2023 Corporate Citizenship Report - "A Message from Our CEO"	<a href="#">Herc Rentals Sustainability</a>	4 to 6
2-23	Policy commitments	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	8 to 12
2-24	Embedding policy commitments	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	8 to 12
2-25	Processes to remediate negative impacts	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	8 to 12
2-26	Mechanisms for seeking advice and raising concerns	"Questions and Help"	<a href="#">Code of Ethics</a>	21
2-27	Compliance with laws and regulations	Reason for omission: We are not reporting on this metric at this time due to legal prohibitions.		
2-28	Membership associations	The Company is a member of the American Rental Association and company representatives serve on the safety and tax committees.		
2-29	Approach to stakeholder engagement	Our approach is outlined in the "Stakeholder Engagement" section in our 2023 Corporate Citizenship Report.	<a href="#">Herc Rentals Sustainability</a>	8 to 12
2-30	Collective bargaining agreements	Percentage of employees covered by collective bargaining agreements: 10.3%.	<a href="#">Annual Report</a>	10-K, 6
<b>GRI 3: MATERIAL TOPICS 2021 DISCLOSURES ON MATERIAL TOPICS</b>				
3-1	Process to determine material topics	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	8 to 12
3-2	List of material topics	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	9
3-3	Management of material topics	The information for material topics and stakeholder engagement are provided in the referenced section and throughout our 2023 Corporate Citizenship Report. We have policies and commitments in place to prevent or report on negative impacts, which are referenced in the various material topic sections in this index. The Executive Team oversees all aspects of the Company's operations and policies, which are reviewed by the Board and Its Committees. Our stakeholders are invited to contact the Company with their questions to the Investor Relations contact or Office of Sustainability. The contact information is located on press releases, the corporate website, and within this report. We participate in ESG rating platforms such as EcoVadis, ISS, and MSCI to receive scores and evaluate the effectiveness of our sustainability measures and disclosures.	<a href="#">Herc Rentals Sustainability</a>	9 to 11

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>ECONOMIC</b>				
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>				
3-3	Management of material topics (Economic performance)	The economic performance of the Company is reported quarterly and annually through public filings and press releases. Utilizing both GAAP and Non-GAAP reporting metrics, we report on the year-over-year performance of the Company through its profit and loss statement, balance sheet, cash flow statement and adjusted EBITDA reconciliations. Procurement practices with our largest OEM suppliers are important regarding their compliance with our ethical standards. Our stakeholders are invited to contact the Company with their questions to the Investor Relations contact or Office of Sustainability. The contact information is located on press releases, the corporate website, and within this report. In addition to our public filings, to assist stakeholders, the Company hosts quarterly conference calls, inviting questions from investors, as well as Wall Street conferences to report on our progress.	<a href="#">Annual Report</a>	
201-1	Direct economic value generated and distributed	Form 10-K	<a href="#">Annual Report</a>	10-K: 26 and 37
201-2	Financial implications and other risks and opportunities due to climate change	"Climate change and legal or regulatory responses thereto may have a long-term impact on our business and results of operations" with undetermined financial implications at this time. See full section in Annual Report.	<a href="#">Annual Report</a>	10-K: 16
201-3	Defined benefit plan obligations and other retirement plans	"Note 13 - Employee Retirement Benefits". Defined benefit and contribution plans. Participation in mandatory or voluntary schemes.	<a href="#">Annual Report</a>	10-K: 61 to 64
201-4	Financial assistance received from government	Herc Rentals recognized \$765,000 in solar tax credits from the United States and \$25,000 business sales tax credits from the state of Florida in 2022.		
<b>GRI 202: MARKET PRESENCE 2016</b>				
3-3	Management of material topics (Market presence)	The North American equipment rental industry rental revenues are tracked by the industry association the American Rental Association (ARA). The data is reported annually and forecasts are periodically updated. Using ARA data, we are able to determine our ranking and market share each year. In November 2022, the ARA reported \$60 billion for the applicable sectors of the industry in which Herc Rentals participates. The industry is projected to grow approximately by 5% to \$63 billion in 2023, 3% in 2024 and 2025. The ARA forecast for equipment rental revenue in Canada mirrors the positive expectations of the United States, calling for 5.5% growth in 2022 to reach nearly \$4.4 billion followed by growth of 5.7% in 2023, 3.5% in 2024 and 1.8% in 2025. On this basis, we calculate that Herc Rentals is ranked third in North America with about 4% market share. This information is also reported in the Company's filings with the U.S. Securities and Exchange Commission.	<a href="#">Q4 2022 Earnings Presentation</a>	5 and 19
202-1	Ratio of standard entry level wage by gender compared to local minimum wage	Reason for omission: The ratio information is unavailable; however, we exceed minimum wage for all employees, including entry-level, in all locations in North America.		
202-2	Proportion of senior management hired from the local community	Reason for omission: We have several regions where senior management could be hired from local geographical locations; however, we need to further assess outside hiring compared to promotions within that would have occurred at specific geographical locations. Most senior managers in locations outside of our headquarters are promoted from within. As well, we do not have high turnover in our senior management at our headquarters, and therefore, annual data would be very minimal.		

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>				
3-3	Management of material topics (Indirect economic impacts)	Reason for omission: We utilize Company policies on Human Rights, the Environment, Vendor Code Of Conduct, and our Code of Ethics to educate and strive to prevent indirect economic impacts. This information is unavailable or incomplete, and at this time there is no specific tracking or direct management of this material topic.		
203-1	Infrastructure investments and services supported	"Letter to Shareholders"	<a href="#">Annual Report</a>	2 to 3
203-2	Significant indirect economic impacts	Reason for omission: This information is unavailable or incomplete because we have not assessed significant indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agenda.		
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>				
3-3	Management of material topics (Procurement practices)	See the "Responsible Supply Chain" section in this report for more information and how we manage this material topic, which includes our Vendor Code of Conduct.	<a href="#">Herc Rentals Sustainability</a>	42 to 44
204-1	Proportion of spending on local suppliers	71% of our 2022 procurement spend was with local suppliers for US branches. Local suppliers are defined as indirect, non-fleet suppliers that are not under contract.		
<b>GRI 205: ANTI-CORRUPTION 2016</b>				
3-3	Management of material topics (Anti-corruption)	We avoid conflicts of interest and do not tolerate bribery and corruption. Our "Code of Ethics" is reviewed annually by all employees and seeks to educate and prevent risk of negative impact from corruption. Tracking and process management is provided below.	<a href="#">Code of Ethics</a>	9 to 20
205-1	Operations assessed for risks related to corruption	Management has assessed the risks related to corruption for 100% of operations through our Enterprise Risk Management process. No significant risks related to corruption were identified through the risk assessment.		
205-2	Communication and training about anti-corruption policies and procedures	a,b,d and e. Governance body members (7) and employees (6,716) received 100% communication and training; c. Our top approximately 25 business partners, defined as fleet suppliers, have reviewed our "Code of Ethics". These business partners represent 84% of our capital expenditures.		
205-3	Confirmed incidents of corruption and actions taken	a. to c. No reported incidents confirmed for years 2019, 2020, 2021 and 2022; d. none.		
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016</b>				
3-3	Management of material topics (Anti-competitive behavior)	We follow antitrust and anti-competition laws. We have an employee "Code of Ethics" in place to educate and prevent risk of negative impact from anti-competitive behavior. All employees complete an annual review of our "Code of Ethics". We track and review any legal actions related to anti-competitive behavior, antitrust, and monopoly tracks.	<a href="#">Code of Ethics</a>	11, 14 to 18
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	No reported legal actions within reporting years 2019 through 2022.		

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 207: TAX 2019</b>				
3-3	Management of material topics (Tax)	<p>Herc Rentals understands the need for transparency in taxes and acts with honesty and fairness in all matters related to taxes. We operate in accordance with our policy to pay taxes in each state and nation where we do business promptly and accurately.</p> <p>It is Herc Rentals' policy to abide by all applicable tax laws, rules, and regulations. We take into account the tax breaks and incentives offered in the countries and states where we conduct business, for instance in compliance with the relevant tax laws and in respect to R&amp;D operations. Our tax approach, which is in line with our business operations and governance framework, is a comparably straightforward structure to reduce complexity in tax affairs.</p> <p>The tax function at Herc Rentals is responsible for and actively involved in managing tax risk, which is continuously evaluated and improved. The size, complexity, and nature of the Company, the transactions it engages in, as well as any changes to the tax environment, are taken into account when allocating resources to managing various areas of tax risk. The Company's underlying tax situations are not overly complex because of its straightforward business model and organizational structure, but because it is a capital-intensive industry, it is important to analyze fixed assets to determine the best timing and quantity for tax depreciation. Non-routine transactions, transfer pricing guidelines, and business changes are all given careful tax analysis, and when necessary, external consultants are sought for specialized guidance. Processes are improved by using technology, which also enables tax department staff to use their knowledge and expertise more effectively.</p>		
207-1	Approach to tax	<p>We have a tax strategy with formal approval and review by Board of Directors and Chief Tax Officer with general day-to-day or general review.</p> <p>Herc Rentals' tolerance for tax risk and preparation is regarded as being modest and in line with the political and economic contexts in which the company operates. The Company bases its activities in the places and countries required to effectively serve its clients. According to the applicable tax rules and regulations, the Company pays tax on the profits made in those jurisdictions. It doesn't actively look for low tax jurisdictions. The Company considers all pertinent variables, including taxation, when assessing any transaction or operation. The Company follows commonly recognized and accepted interpretations of the tax legislation when deciding how to classify a specific transaction or activity, seeking advice from tax authorities and experts as needed. For instance, the Company's transfer pricing policies are established in accordance with the OECD Transfer Pricing Guidelines, with input from specialized tax advisors who have access to information on comparable transactions and expertise using it for benchmarking. The Board has accepted this method of taxing, which has not altered for many years.</p> <p>Herc Rentals keeps track of new and evolving tax laws to determine whether they could have a material impact on the business and to make sure it has the necessary procedures in place to comply with any amendments that are made.</p>		
207-2	Tax governance, control, and risk management	<p>The Chief Tax Officer and Board of Directors are the executive-level position and governing body accountable for compliance with the tax strategy. The Board of Directors of the Company is responsible for owning and managing both the tax strategy and the overall business strategy. The Chief Tax Officer regularly updates the Audit Committee of the Board of Directors and Herc Rentals' Tax Department on significant tax issues and suggested changes to tax law. Both generally and on a day-to-day basis, the Company's Chief Tax Officer and Vice President of Tax are in charge of making sure that the proper process and system policies are in place and that members of the tax department have the knowledge and support skills required to align with the Company's tax strategy. An open line of communication between top management and the corporate tax specialists enables prompt communication discussions and tax risk management.</p>		
207-3	Stakeholder engagement and management of concerns related to tax	<p>The Company is dedicated to establishing open and productive communication with all taxing authorities. Wherever possible, the Company works with tax authorities to discuss and resolve issues as they arise and applies for tax clearances to obtain approval before engaging in material transactions when there is uncertainty about the proper tax treatment. This strategy aims to reduce the frequency and severity of disagreements with tax officials. The Company provides the information necessary to</p>		

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
207-4	Country-by-country reporting	<p>aid tax authorities in understanding the transactions under evaluation and the tax treatment that has been used, with the goal of resolving issues when tax audits or inquiries relating to prior events emerge. If the Company discovers errors or omissions in tax returns, they will notify the proper tax authorities and correct as appropriate.</p> <p>We do not have a public advocacy approach on tax at this time, although our Chief Tax Officer serves on the American Rental Association Tax Committee which presents the industry's tax position.</p> <p>Our objective is to challenge ourselves to be accountable, open, and helpful to everyone with whom we deal, as stated in the Company's annual Corporate Citizenship Report. We strive to leave a positive impression on all of our stakeholders, and the Company's tax strategy, which emphasizes operating ethically in all tax situations, reflects the value of being a responsible corporation.</p>		
<b>ENVIRONMENTAL</b>				
<b>GRI 301: MATERIALS 2016</b>				
3-3	Management of material topics (Materials)	Reason for omission: This criteria is not applicable as we do not produce or package primary products related to our goods and services, nor utilize raw materials.		
301-1	Materials used by weight or volume	Reason for omission: This criteria is not applicable as we do not produce or package primary products related to our goods and services, nor utilize raw materials.		
301-2	Recycled input materials used	Reason for omission: This criteria is not applicable as we do not use raw materials at this time, and therefore recycled input materials are not applicable at this time.		
301-3	Reclaimed products and their packaging materials	Reason for omission: This criteria is not applicable as we do not produce or package primary materials related to our goods and services, and therefore have no calculations for percentage of reclaimed products and their packaging materials.		
<b>GRI 302: ENERGY 2016</b>				
3-3	Management of material topics (Energy)	2023 Corporate Citizenship Report: "Environmental Management", "Stakeholder Involvement", and "Office of Sustainability". Our Environmental Policy and Environmental Procedures are reviewed annually by the Environmental Programs Manager and approved by the Chief Operating Officer.	<a href="#">Herc Rentals Sustainability</a>	9, 11, and 31 to 37
302-1	Energy consumption within the organization	2022 energy data in joules or multiples: 1,668 terajoules (TJ) non-renewable fuel consumed, no renewable fuel sources reported, total electricity consumed 112 TJ from grid, and total of 1,780 TJ consumed within the organization. See "Environmental Management" section in our 2023 Corporate Citizenship Report for details on metric methodology and restatements.	<a href="#">Herc Rentals Sustainability</a>	35 to 37
302-2	Energy consumption outside of the organization	1,028 TJ energy consumed outside the organization. For more information on the metric methodology and restatements, see 2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	38
302-3	Energy intensity	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	36
302-4	Reduction of energy consumption	In 2022, we set a goal to upgrade all facilities to LED lighting and have budgeted \$3M for 2022 and 2023. We do not have an established target year to complete all the upgrades at this time. We have established an Environmental Action Plan to plan further energy reduction initiatives.	<a href="#">Herc Rentals Sustainability</a>	34 to 36

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
302-5	Reductions in energy requirements of products and services	Reason for omission: The information is unavailable or incomplete at this time and we need to research the metric requirements further for applicability.		
<b>GRI 303: WATER AND EFFLUENTS 2018</b>				
3-3	Management of material topics (Water and effluents)	a. Our water recycling program is not fully developed, but we are monitoring the overall number of systems and strive to install more recycle water systems as we grow and in areas where water scarcity may be an issue; b. Although we have not reported actual discharges or specific involvement in negative impacts, we do manage and minimize all negative impacts using sound practices; c. Refer to our Environmental Management Policy; d. We utilize an incident management system to track incidents as well as to direct training, education efforts and risk prevention; e. We internally report incidents in a team-managed database with approval hierarchy and ability to create corrective actions and follow-up approvals. The incidents are managed from start to finish and used for improvement practices. The reporting accuracy and efficiency, including completion of corrective actions, is linked to performance indicators for specific stakeholders; f. Stakeholders include the local branch managers where direct impact occurred and the approval levels of safety and environmental teams. Further sign-off by district and region managers is part of the stakeholder engagement process. Further reporting can be made available for annual reporting or higher level performance reporting/KPIs. The reporting efficiency is linked to performance indicators.	<a href="#">Herc Rentals Sustainability</a>	33 and 39
303-1	Interactions with water as a shared resource	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	33 and 39
303-2	Management of water discharge-related impacts	Reason for omission: Data is not available. We do not discharge effluents to water and follow local discharge requirements for operation and reporting. Where stormwater or septic systems may fall under this reporting standard, we have not collected material information.		
303-3	Water withdrawal	2023 Corporate Citizenship Report. We do not send water back to any source of withdrawal and therefore at this time our withdrawal and consumption are essentially the same. We do recycle water, and have not factored in the calculation for that consumption. 2022 freshwater withdrawal: 8 megaliters of groundwater and 224 megaliters of third-party water.	<a href="#">Herc Rentals Sustainability</a>	39
303-4	Water discharge	Reason for omission: Data is not available or incomplete. No reported discharges at this time. Storm water runoff could be estimated by total surface area, rainfall per area and our impervious surfaces.		
303-5	Water consumption	2023 Corporate Citizenship Report. We consumed 233 megaliters of water in 2022.	<a href="#">Herc Rentals Sustainability</a>	39
<b>GRI 304: BIODIVERSITY 2016</b>				
3-3	Management of material topics (Biodiversity)	Reason for omission: We do not have specific disclosure information on biodiversity at this time.		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Reason for omission: We are not reporting on this metric at this time as data is not available, however, we are researching how to capture and report this information.		
304-2	Significant impacts of activities, products and services on biodiversity	Reason for omission: We are not reporting on this metric at this time as data is not available.		
304-3	Habitats protected or restored	Reason for omission: We are not reporting on this metric at this time as data is not available.		
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Reason for omission: We are not reporting on this metric at this time as data is not available.		

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 305: EMISSIONS 2016</b>				
3-3	Management of material topics (Emissions)	2023 Corporate Citizenship Report: "Environmental Management", "Stakeholder Involvement", and "Office of Sustainability". Our Environmental Policy and procedures are reviewed annually by the Environmental Programs Manager and approved by the Chief Operating Officer. Emissions are reported for carbon dioxide (CO <sub>2</sub> ) equivalents that include more than 99% CO <sub>2</sub> . No biogenic CO <sub>2</sub> reported. 2019 was selected as the baseline year due to access of complete data. Operational and financial controls were used for consolidation approach. Restatements and methodology are provided in the referenced report pages. Greenhouse Gas Protocol methodology was applied to emission calculations using emission factors provided by US Energy Information Administration (US EIA) updated October 5, 2022.	<a href="#">Herc Rentals Sustainability</a>	9, 11, and 31 to 38
305-1	Direct (Scope 1) GHG emissions	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	36 to 37
305-2	Energy indirect (Scope 2) GHG emissions	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	36 to 37
305-3	Other indirect (Scope 3) GHG emissions	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	37 to 38
305-4	GHG emissions intensity	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	37 to 38
305-5	Reduction of GHG emissions	2023 Corporate Citizenship Report. We are at the beginning stages in evaluating further improvements in fuel consumption within our operations and targeting additional opportunities within our facilities infrastructure.	<a href="#">Herc Rentals Sustainability</a>	31 to 38
305-6	Emissions of ozone-depleting substances (ODS)	Reason for omission: We have not evaluated emissions of ozone-depleting substances; although we assume to be minimal in relation to our direct operations.		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Reason for omission: Other air emissions of nitrous oxides, sulfur oxides, methane, nitrous oxide, and other compounds make up less than 1% of our total GHG emissions combined. Although they may have higher global warming potential, we consider the reporting of these emissions not applicable at this time. Any reductions in our Scope 1 and 2 GHG emissions will support reductions in these other compounds.		
<b>GRI 306: WASTE 2020</b>				
3-3	Management of material topics (Waste)	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	9, 11, 31 to 33, and 40
306-1	Waste generation and significant waste-related impacts	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	40
306-2	Management of significant waste-related impacts	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	31 to 33 and 40
306-3	Waste generated	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	40
306-4	Waste diverted from disposal	We offer waste minimization and recycling options to our operating facilities and our headquarters. Recycling options available include paper, cardboard, metals, glass, printer cartridges, electronic waste, tires, batteries, chemical waste (used oil, parts washer, and others), aerosol cans, rubber tracks, and wood pallets. Waste minimization practices include paperless options, salvageable computer hardware program, sale of used fleet equipment, spill prevention training, recycling campaigns, and internal and web-based communications that promote recycling awareness. Breakdown of recycled materials as a percentage of total tonnage recycled in 2022: approximately 2% cardboard, 3% paper, <1% metals, 25% mixed recyclables (plastics, glass, aluminum), 3% compost, 18% beneficial cover green waste dirt, 12% used oil, and 35% all other industrial waste marked recovered or recycled	<a href="#">Herc Rentals Sustainability</a>	40

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
306-5	Waste directed to disposal	as end disposal method by our certified waste hauler. Incineration is considered non-recovery and included in GRI 306-5 as diverted from landfilled waste. All recycling and recovery operations were performed offsite by others and not part of our operations. Tonnage summary in 2023 Corporate Citizenship Report. 2023 Corporate Citizenship Report. All disposal operations were conducted offsite by third parties.	<a href="#">Herc Rentals Sustainability</a>	40
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>				
3-3	Management of material topics (Supplier environmental assessment)	Our Vendor Code of Conduct and Human Rights Policy are reviewed by our major suppliers to ensure responsible sourcing. Additionally, we have implemented a pilot supplier assessment survey, will roll-out a broader supplier assessment in 2023, and intend to implement a policy for supplier social and environmental criteria.	<a href="#">Vendor Code of Conduct</a> <a href="#">Human Rights Policy</a>	
308-1	New suppliers that were screened using environmental criteria	Reason for omission: We currently do not screen new suppliers for environmental criteria, but we have created a supplier survey that will be distributed to our top direct and indirect spend suppliers to gather environmental information.		
308-2	Negative environmental impacts in the supply chain and actions taken	Reason for omission: This information was not available for the fiscal year 2022. We are working on a process for assessing suppliers.		
<b>SOCIAL</b>				
<b>GRI 401: EMPLOYMENT 2016</b>				
3-3	Management of material topics (Employment)	2023 Corporate Citizenship Report. 2021 values are restated.	<a href="#">Herc Rentals Sustainability</a>	21 to 27
401-1	New employee hires and employee turnover	2023 Corporate Citizenship Report.	<a href="#">Herc Rentals Sustainability</a>	21 to 24
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2023 Corporate Citizenship Report	<a href="#">Employee Benefits</a>	
401-3	Parental leave	Employees who took parental leave and returned to work in 2022: 16 out of 27 entitled (female) and 68 out of 117 entitled (male) with 100% (16 female employees) and 97% (66 male employees) retention of employees returning to work after parental leave ended and still employed after twelve months.	<a href="#">Herc Rentals Sustainability</a>	26
<b>GRI 402: LABOR/MANAGEMENT RELATIONS 2016</b>				
3-3	Management of material topics (Labor/management relations)	We have a Labor and Workplace Policy in place. Additional information on management of the material topic of Labor/Management Relations is provided in the section Human Capital - Team Herc in our 2023 Corporate Citizen Report.	<a href="#">Labor and Workplace Policy</a>	21 to 27
402-1	Minimum notice periods regarding operational changes	Notice period and/or provisions for consultation and negotiation are specified in collective agreements. The options provided in the guidance are limited, and a hybrid option is more appropriate. While some collective bargaining agreements specify the notice period as a minimum, not all agreements specify the notice period, and the maximum notice is provided when a significant change may impact the employees covered under the agreements.  Approximately 585 employees in the United States and 105 employees in Canada are covered by collective bargaining arrangements and we believe that our relations with the labor unions are good. We also employ a number of temporary workers, and engage outside services, as is customary in the industry, principally for the movement of rental equipment between rental locations and the movement of rental equipment to and from customers' job sites.	<a href="#">Annual Report</a>	10-K: 6



# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>				
3-3	Management of material topics (Occupational health and safety)	<p>The Herc Rentals Health &amp; Safety Management System (HSMS) establishes the Company's philosophy, procedures, and practices for addressing significant health and safety hazards associated with its activities. It incorporates principles of continual improvement and is based on the requirements of ISO 45001: Occupational Health and Safety Management Systems – Requirements. The HSMS is comprised of the following documents: Safety Policy Statement, HSMS Elements, HSMS Operational Controls, and Local-Level Procedures. The Safety Policy Statement provides the framework for action and for the setting of Safety goals and plans. It establishes the Company's overall intentions and direction on addressing significant health and safety hazards, environmental impacts, and/or crisis management issues.</p> <p>Herc Rentals' operations management has the key leadership role in communicating, implementing and ensuring conformance to safety policies and standards. The Planning Element of the Health &amp; Safety Management System (HSMS) is a key management phase for driving the organization to meet the Safety Policy Statement and Safety goals through defining and monitoring health and safety risks and impacts, goals and plans, and management of change. Responsibilities are outlined in the HSMS:</p> <p>1) Executive leadership team ensures appropriate HSMS Operational Controls and Company health and safety requirements are established as described in the Procedure section; 2) Safety Director ensures local-level health and safety procedures, standards and requirements are established as described in the Procedure section; 3) District/Branch Managers implement the requirements in the procedure section and communicate health and safety procedures, practices, and standards to employees, contract employees, contractors, subcontractors, suppliers, and visitors, as appropriate for the work activities, products, procedures, and services within their functional area; 4) Employees and contract employees contribute to the development and implementation of HSMS Operational Controls, local level health and safety procedures, Company health and safety standards and requirements, and adhere to the provisions established in the HSMS Operational Controls, local level health and safety procedures, Company health and safety standards and requirements; 5) Safety manager(s) provide health and safety technical support for the identification and development of H&amp;S practices, procedures, and standards.</p> <p>Each HSMS Element describes a description of its purpose and the assignment of responsibility for implementing requirements. Deployment Elements direct the implementation of the HSMS through roles, responsibilities and authority; training, awareness and competence; communication; document control; operational control; and emergency planning, response and crisis management. Review elements evaluate the HSMS implementation through audits and evaluation of compliance; records; non-conformances, incidents and corrective and preventative actions; and performance measurement and monitoring. Improvement elements ensure continual improvement of the HSMS. The HSMS includes various documents (HSMS Operational Controls, Local-level Safety procedures, Company Safety standards and requirements, and customer safety standards and requirements) that focus on specific health and safety hazards and establish minimum company requirements. They provide management with detailed guidance regarding the control of health and safety hazards associated with company activities.</p>	<a href="#">Herc Rentals Sustainability</a>	14 to 17
403-1	Occupational health and safety management system	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	14 to 17
403-2	Hazard identification, risk assessment, and incident investigation	2023 Corporate Citizenship Report.	<a href="#">Herc Rentals Sustainability</a>	15 to 16
403-3	Occupational health services	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	14 to 17, 26
403-4	Worker participation, consultation, and communication on occupational health and safety	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	16

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
403-5	Worker training on occupational health and safety	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	15
403-6	Promotion of worker health	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	26
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	14 to 17
403-8	Workers covered by an occupational health and safety management system	All company personnel and temporary workers whose work and/or workplace is controlled by the organization are covered under our HSMS, which is both internally and externally audited.	<a href="#">Herc Rentals Sustainability</a>	14 to 17
403-9	Work-related injuries	As of December 31, 2022: a. (i) No fatalities, (ii) 8 high-consequence work-related injuries with a rate of 0.11, (iii) 39 recordable work-related injuries with a rate of 0.52, (iv) Sprains and Strains, Slip, Trip & Fall, and lacerations are the main types of work-related 7 injuries, (v) 14,906,260; b. (i to iv) none to report, (v) 52,569; c. (i) Hazard assessments have been completed and training provided, (ii) Manually handling and slides, trips & falls, and lacerations (iii) Significant actions have been put in place primarily around administrative controls and PPE; d. This is an ever-present, on-going process to identify any areas of improvement and apply the hierarchy of controls. Additional training (administrative control), substitution and elimination have all be utilized.; e. Rates are calculated using 200,000 hours and the OSHA approved formulas.; f. No exclusions; g. All rates are calculated based on OSHA approved formulas. The totals for 2022 include Canadian injuries. Total recordables United States: 34; Canada: 5	<a href="#">Herc Rentals Sustainability</a>	17
403-10	Work-related ill health	403-10 a.(i) 0, (ii) 0, (iii) N/A; b.(i) 0, (ii) N/A, and (iii) N/A; c.(i) N/A, (ii) N/A, and (iii) Monitoring is conducted as needed on new products and new processes by a certified third party. d. No, e. All monitoring is conducted by certified third parties using approved methodologies and results are measured against regulatory standards.	<a href="#">Herc Rentals Sustainability</a>	
<b>GRI 404: TRAINING AND EDUCATION 2016</b>				
3-3	Management of material topics (Training and education)	Information on how we develop the team through training and education is provided in the section "Development of Our People" in our 2023 Corporate Citizenship Report.	<a href="#">Herc Rentals Sustainability</a>	24 to 27
404-1	Average hours of training per year per employee	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	24
404-2	Programs for upgrading employee skills and transition assistance programs	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	24 to 27
404-3	Percentage of employees receiving regular performance and career development reviews	The majority of Herc Rentals employees receive an annual performance review in the first quarter of each year, with some exceptions, including: union employees, employees who joined Herc via acquisition as of July 1, and new employees hired after October 1 of the prior year.	<a href="#">Herc Rentals Sustainability</a>	25

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>				
3-3	Management of material topics (Diversity and equal opportunity)	Reason for omission: We have not conducted a materiality assessment on this topic as well, some internal metrics are deemed confidential at this time.		
405-1	Diversity of governance bodies and employees	Proxy Statement and 2023 Corporate Citizenship Report	<a href="#">Proxy Statement</a> <a href="#">Herc Rentals Sustainability</a>	2 and 13 5, 8 and 21 to 22
405-2	Ratio of basic salary and remuneration of women to men	Reason for omission: Information is incomplete at this time.		
<b>GRI 406: NON-DISCRIMINATION 2016</b>				
3-3	Management of material topics (Non-discrimination)	Reason for omission: The information is unavailable at this time. Our Human Rights Policy and Code of Ethics provide our commitment and strategy to prevent discrimination. We have not conducted materiality assessment on this topic as well, some internal metrics are deemed confidential at this time.		
406-1	Incidents of discrimination and corrective actions taken	Reason for omission: Due to confidentiality constraints, incidents of discrimination and corrective actions taken are not publicly disclosed. Any remediation activities are handled accordingly per our employee Code of Ethics.		
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>				
3-3	Management of material topics (Freedom of association and collective bargaining)	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	9 to 11
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Reason for omission: The information is not requested of or required by our suppliers at this time.		
<b>GRI 408: CHILD LABOR 2016</b>				
3-3	Management of material topics (Child labor)	Our Code of Ethics, Human Rights Policy, and Vendor Code of Conduct	<a href="#">Human Rights Policy</a> <a href="#">Code of Ethics</a>	
408-1	Operations and suppliers at significant risk for incidents of child labor	Reason for omission: We require our suppliers to confirm that they abide by our human rights and labor policies. At this time we have not assessed supplier risk for incidents of child labor.	<a href="#">Vendor Code of Conduct</a>	
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>				
3-3	Management of material topics (Forced or compulsory labor)	Our Code of Ethics, Human Rights Policy, and Vendor Code of Conduct	<a href="#">Human Rights Policy</a> <a href="#">Code of Ethics</a>	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We require our suppliers to review and confirm they abide by our human rights and labor policies. At this time we have not assessed supplier risk for incidents of forced or compulsory labor.	<a href="#">Vendor Code of Conduct</a>	

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 410: SECURITY PRACTICES 2016</b>				
410-1	Security personnel trained in human rights policies or procedures	Reason for omission: We contract private security personnel. However, we do not have information on directed training or policy coverage. Any security personnel employed directly are required to review our Human Rights Policy annually.		
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016</b>				
3-3	Management of material topics (Rights of indigenous peoples)	Please refer to our policy on Indigenous Relations in Canada.	<a href="#">Indigenous Relations Policy - Canada</a>	
411-1	Incidents of violations involving rights of indigenous peoples	Reason for omission: We are unaware of any incidents of violations involving rights of indigenous peoples at this time, and we will evaluate any future reported incidents.		
<b>GRI 413: LOCAL COMMUNITIES 2016</b>				
3-3	Management of material topics (Local communities)	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	29 to 30
413-1	Operations with local community engagement, impact assessments, development programs	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	29 to 30
413-2	Operations with significant actual and potential negative impacts on local communities	Reason for omission: The information is not available at this time. We implemented the Volunteer Paid Time Off program (VPT) in February of 2023 and will use this year to assess how to collect this information.		
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>				
3-3	Management of material topics (Supplier social assessment)	Our Vendor Code of Conduct and Human Rights Policy are required to be reviewed by our major suppliers, which amount to 84% of our capital expenditures. Additionally, we have implemented a pilot supplier assessment survey, will roll-out a broader supplier assessment in 2023, and intend to implement a policy for supplier social and environmental assessments.  Reason for omission: We did not screen new suppliers for social criteria in 2022, but are in the process of rolling out a supplier survey to gather more information.	<a href="#">Human Rights Policy</a>	
414-1	New suppliers that were screened using social criteria	We currently do not screen new suppliers for social criteria, but we are in the process of utilizing a new supplier survey to gather more information. Our Vendor Code of Conduct expressly forbids our vendors and suppliers from the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, any form of slavery, and any form of human trafficking. We also prohibit vendors and suppliers from hiring or contracting individuals that are under 18 years of age for positions in which hazardous work is required in the production and fulfillment of Herc Rentals' requested goods and services.	<a href="#">Vendor Code of Conduct</a>	
414-2	Negative social impacts in the supply chain and actions taken	Reason for omission: This information was unavailable for 2022. We are working on a process to better track and manage information from a new supplier survey.		

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 415: PUBLIC POLICY 2016</b>				
3-3	Management of material topics (Public policy)	Reason for omission: This standard is not applicable, as we do not participate in public policy practices at this time.		
415-1	Political contributions	Reason for omission: We do not make political contributions, however, we do not have a policy regarding political contributions at this time.		
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>				
3-3	Management of material topics (Customer health and safety)	Our safety mission extends to helping our customers operate our equipment safely and supporting their worksites' safe operating practices. We offer training on our equipment; we offer to perform safety assessments at customer worksites and provide suggestions for improvement; we participate in customers' safety teams as a partner in reducing workplace hazards; and we apply our own required safety protocols whenever we visit a customer worksite.  The Safety Policy shall be reviewed at least annually to ensure ongoing suitability. The commitments listed here are in addition to our basic obligation to comply with the Herc Rentals Vision, Mission, Values and Code of Conduct, as well as all applicable laws and regulations where we operate. This commitment is critical to our business success because it allows us to systematically prevent and/or minimize losses and adds value for all our stakeholders.	<a href="#">Herc Rentals Sustainability</a>	14 to 15
416-1	Assessment of the health and safety impacts of product and service categories	In 2021 and 2022, 100% of significant product or service categories are covered and assessed under the Herc Rentals HSMS for product/service health and safety impacts. The HSMS establishes the requirement for Herc Rentals to develop Health and Safety procedures, practices and standards to ensure that its work activities, products, procedures, and services do not result in an injury or illness, or an adverse impact on the environment, company assets or company intellectual property. These procedures, practices, and standards include HSMS Operational Controls, local-level safety procedures, and Herc Rentals H&S standards and requirements.	<a href="#">Herc Rentals Sustainability</a>	14 to 17
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Data search from OSHA established criteria resulted in one incident in 2019, and none for 2020 through 2022. No reported warnings of non-compliance of health and safety regulations or voluntary codes for 2019 through 2022.	<a href="#">OSHA website</a>	
<b>GRI 417: MARKETING AND LABELING 2016</b>				
3-3	Management of material topics: Marketing and labeling	Reason for omission: The information is unavailable at this time as we have not conducted materiality assessment on this topic. Some internal metrics are deemed confidential at this time.		
417-1	Requirements for product and service information and labeling	Reason for omission: The information is incomplete at this time, and although we employ sound practices for human health and safety and environmental protection, we have not assessed this information fully for product labeling.		
417-2	Incidents of non-compliance concerning product and service	Reason for omission: We do not have sufficient information at this time and have not set precedence to pursue.		
417-3	Incidents of non-compliance concerning marketing communications	Reason for omission: We consider this topic as not applicable. We are not aware of any incidents of non-compliance concerning marketing communications at this time.		

# GLOBAL REPORTING INITIATIVE INDEX

GRI ID	GRI Disclosure	Additional Information/Omissions	Reference	Page No.
<b>GRI 418: CUSTOMER PRIVACY 2016</b>				
3-3	Management of material topics (Customer privacy)	2023 Corporate Citizenship Report	<a href="#">Herc Rentals Sustainability</a>	19 to 20
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No reported complaints or leaks related to customer privacy.	<a href="#">Herc Rentals Sustainability</a>	19 to 20

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

For the period ending December 31, 2022

The SASB index was developed as a US-based set of sustainability reporting standards guiding financially-material topics between investors and businesses. The following table summarizes our response to the sector-specific standards for Industrial Machinery and Goods as included in our 2023 Corporate Citizenship Report, published May 16, 2023. For more information on financially-material standards, visit the [SASB website](#).

SASB Code	Activity Metric	Additional Information/Omissions	Reference	Page No.
<b>ENERGY METRICS</b>				
RT-IG-130a.1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable"	(1) 2022: 1,780; 2021: 1,414; 2020: 1,402; and 2019: 1,573 terajoules (TJ) (2) 2022: 6.3%; 2021: 7.5%; 2020: 6.5%; and 2019: 5.9 (restated due to total energy recalculation for fuel component, see GRI 302) (3) Approximately 23% for United States and 30% for Canada renewable energy sourced for grid power.	<a href="#">Herc Rentals Sustainability</a>	36
<b>EMPLOYEE HEALTH &amp; SAFETY</b>				
RT-IG-320a.1	(1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) Near miss frequency rate (NMFR)	(1) 2023 Corporate Citizenship Report, (2) No fatalities, (3) Not reported	<a href="#">Herc Rentals Sustainability</a>	17
<b>FUEL ECONOMY &amp; EMISSIONS IN USE-PHASE</b>				
RT-IG-410a.1	Fleet fuel efficiency	Medium and heavy duty vehicle manufacturers do not publish fuel efficiency ratings at this time. This information may be captured via the manufacturer installed vehicle telematics in the future. The Company does not report on this metric.	N/A	
RT-IG-410a.2	Fuel efficiency for non-road equipment	The Company does not report on this metric.		
RT-IG-410a.3	Fuel efficiency for stationary generators	Not applicable; stationary generators are not available for rent.		
RT-IG-410a.4	Sales-weighted emissions	The Company does not report on this metric.		

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX

SASB Code	Activity Metric	Additional Information/Omissions	Reference	Page No.
<b>SUPPLY CHAIN MANAGEMENT</b>				
RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	The Company does not report on this metric as it is not a manufacturing company.		
<b>MANUFACTURING DESIGN &amp; SERVICES</b>				
RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Equipment is periodically removed from fleet due to age or wear and upgraded or replaced new equipment. The used equipment is sold through retail, wholesale and auction channels. Minor repairs and maintenance are performed to refurbish the equipment for re-sale. Product take-back is in place for rubber tracks, batteries, and tire, which are part of the normal maintenance on equipment, and these items are recycled either by local carrier or through product carrier. Revenue from the sale of used and refurbished rental equipment was \$125.7 million in 2022 and \$113.1 million in 2021. We are not the manufacturer of the equipment, but we are working to include more information for improving waste reduction best management practices.	<a href="#">Annual Report</a>	10-K: 49
<b>ACTIVITY METRICS</b>				
RT-IG-000.A	Number of units	Not applicable - not a manufacturer		
RT-IG-000.B	Number of employees	As of December 31, 2022, headcount was 6,600. As of March 31, 2023 headcount was 6,700.	<a href="#">Annual Report</a>	10-K: 6



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

For the period ending December 31, 2022

The disclosures in this index are in response to recommendations made by the Task Force on Climate-Related Financial Disclosures (TCFD). The Financial Stability Board (FSB\*) created the TCFD to develop recommendations that encourage companies to improve transparency and increase reporting of climate-related financial disclosures that would support more informed asset valuation. The information disclosed is intended to assist investors, lenders, and insurance underwriters in assessing and pricing risks and opportunities related to climate change. For more information, visit the [TCFD website](#).

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
<b>GOVERNANCE</b>			
Disclose the organization’s governance around climate-related risks and opportunities.			
<b>GOVERNANCE A – BOARD OVERSIGHT</b>			
Board oversight of climate-related risks and opportunities:	<p data-bbox="669 857 1016 881"><b>OUR BOARD’S OVERSIGHT ROLE</b></p> <p data-bbox="669 906 870 930"><b>Strategic Oversight</b> Our Board actively oversees the development and execution of our strategies. These strategies encompass both financial and operational strategies, as well as strategies focused on capital allocation, talent development and executive succession, legal, strategic investments, and sustainability, including climate risk. Over the course of the year, management and our Board discuss the development and execution of our strategic plans as well as events that bear upon those plans. Our Board further monitors strategic execution through standing presentations at regular Board and Committee meetings and communications from management in between meetings.</p> <p data-bbox="669 1081 822 1105"><b>Risk Oversight</b> The Board oversees our risk management with a focus on the most significant risks we face, including strategic, operational, financial and legal compliance risks. The Board’s risk oversight process builds upon management’s risk assessment and mitigation processes, which include an enterprise risk management program, regular internal management disclosure committee meetings, a code of conduct that applies to all employees, executives and directors, an ethics and compliance program and comprehensive internal audit processes. The Board’s risk oversight role also includes the selection and oversight of the independent auditors. The Board implements its risk oversight function both as a Board and through delegation to Board committees, which meet regularly and report back to the Board. The Board has delegated the oversight of specific risks to Board committees that align with their functional responsibilities.</p> <p data-bbox="669 1305 1677 1330">Our Board, directly or through its committees, also oversees management of the following risk areas:</p> <ul data-bbox="669 1344 2018 1421" style="list-style-type: none"> <li>▶ <b>Accounting Risk:</b> The Audit Committee oversees our management of financial, accounting, and internal controls through interaction at each meeting with the Chief Financial Officer, management from our financial, accounting, and auditing functions (as appropriate) and representatives from our independent registered public accounting firm.</li> </ul>	<a href="#">Proxy Statement</a>	10 to 11

\*The FSB is an international body that monitors and makes recommendations about the global financial system.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
	<p>▶ <b>Financial Risk:</b> The Audit Committee oversees our capital and liquidity risks through interaction at each meeting with the Chief Financial Officer and Treasurer.</p> <p>▶ <b>Environmental, Social and Governance Risk:</b> The Nominating and Governance Committee oversees risks related to Board organization, membership and structure and other corporate governance matters. The Nominating and Governance Committee also oversees our environmental, social and governance (“ESG”) and sustainability strategies, initiatives and policies through regular interaction and meeting with the Vice President, Sustainability, at least twice a year.</p> <p><b>Environmental, Social and Governance</b></p> <p>With approximately 360 branches across the United States and Canada, we are a member of a wide variety of communities, locally, nationally and globally. We seek to operate in each of our communities according to sound social and environmental practices. We approach our commitment from the framework of responsible value creation, the core tenets of which are:</p> <ul style="list-style-type: none"> <li>▶ Prioritize the safety and well-being of our employees, customers and communities;</li> <li>▶ Minimize and continuously seek to reduce environmental impacts associated with our business activities; and</li> <li>▶ Align business practices and policies to reflect our responsibilities as a corporate citizen and to support mutually beneficial outcomes across stakeholder groups.</li> </ul> <p>The Board of Directors directly and through the Nominating and Governance Committee and the Compensation Committee oversee our ESG policies, practices and initiatives. We have established the Office of Sustainability to identify our ESG related risk and opportunities, and manage our ESG goals and initiatives, including the development and tracking of quantifiable metrics, and reporting on our progress toward our goals and initiatives. Our Vice President, Sustainability, regularly reports to the Nominating and Governance Committee.</p> <p>In furtherance of our commitment to our communities, we established the following 2030 goals (utilizing 2019 as the base year of measurement):</p> <ul style="list-style-type: none"> <li>▶ Reduce the impact of Scope 1 and Scope 2 GHG emissions intensity by 25%;</li> <li>▶ Reduce our non-toxic waste to landfill intensity by 25%; and</li> <li>▶ Improve our safety metrics annually with the goal of 0.49 or less for the Total Recordable Incident Rate.</li> </ul> <p>We understand that transparent disclosure on our ESG commitments and initiatives is important to ensure that we remain committed to our goals and provide transparency on our progress to stockholders. Our annual Corporate Citizenship Report is central to our ESG disclosure. In this Report, we share our ESG goals, disclose our progress toward achieving those goals and document our progress on other important ESG initiatives. In support of our goals and our commitment to responsible management, we align our ESG reporting with the Global Reporting Initiative, while being mindful of the guidelines of the Sustainable Accounting Standards and the Task Force on Climate-Related Financial Disclosures reporting requirements.</p>		

## GOVERNANCE B – ROLE OF MANAGEMENT

Describe management’s role in assessing and managing climate-related risks and opportunities:

The Office of Sustainability oversees and collects ESG inputs from staff representing operations, environment, procurement, safety, human resources, risk management, information technology, and governance. From this collective staff, a 25+ person team forms the ESG Task Force and develops and tracks the quantifiable metrics, reports on the initiatives within their scope, and recommends potential goals, which includes climate-related risks and opportunities. The staff that makes up the ESG Task force and ESG Steering Committee monitor developments in climate-change related regulation for their potential effect on the company and our end markets. Our sustainability program seeks to mitigate our impact on the environment, including targets to reduce our GHG emissions.

[Herc Rentals Sustainability](#)

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# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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	<p>The ESG Task Force makes recommendations and reports to the ESG Steering Committee. The Office of Sustainability and the ESG Steering Committee determine scope of material topics, metrics, goals and policies that are recommended to the Executive Team. The Executive Team provides direction and topics are then researched and further assessed by the ESG Task Force. Recent topics have included improved tracking of internal fuel usage and tracking and reporting of carbon emissions through the use of the equipment rental fleet by customers. The Vice President, Sustainability reports directly to the Nominating and Governance Committee of the Board, and the overall ESG policies and goals, including the annual Corporate Citizenship Report, are reviewed at least annually.</p> <p>Climate-related risks and opportunities are reviewed by the ESG Task Force Steering Committee and were reported in the CDP Climate Change Questionnaire on July 25, 2022. The disclosures were reviewed by the Office of Sustainability (Vice President and Manager), Vice President of Finance, Senior Director, External Reporting Director, and internal Risk Management team.</p> <p>Additionally, the operations team organizes rapid response volunteers for severe weather events when disasters occur. Employees and the Company contribute to an Employee Relief Fund which assists employees in need.</p> <p>Through the ESG Steering Committee and ESG Task Force communications with the Executive Team and internal resource groups, downstream management groups and their staff are informed about ESG and climate-related issues. Through the internal resource groups of Safety, Human Resources, Operations, and Environment, ESG and climate-related issues are further communicated through routine training, assessments and other dedicated communication pathways. The Health and Safety Management System and Environmental Management System are structured to monitor safety and environmental protection for climate-related events, and to further implement proactive solutions based to reduce and eliminate further risks during climate-related events and other issues.</p>		

## STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

### STRATEGY A - SHORT, MEDIUM, AND LONG TERM CLIMATE RISKS

Climate-related risks and opportunities the organization has identified over the short, medium, and long term:

**Climate change and legal or regulatory responses thereto may have a long-term negative impact on our business and results of operations.**

There is increasing concern that a gradual increase in global average temperatures due to the concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant change in weather patterns around the globe and increase the frequency and severity of natural disasters. Climate change may also exacerbate water scarcity, negatively impacting our capability to deliver equipment that meets the safety and functional expectations of our customers as well as the health and safety of our employees. Increased frequency or duration of extreme weather conditions could impact our business and the demand for our equipment and services. An increase in demand for rental equipment may require additional capital expenditures in order for us to compete for such demand and we may not be able to make similar levels of investment as our larger competitors. In addition, in an effort to combat climate change, our customers may require our rental equipment to meet certain standards. If we are unable to meet such standards and the expectations of our customers, our business and results of operations could be materially adversely affected.

In addition, the U.S. Congress and other legislative and regulatory authorities in the United States and internationally have considered, and likely will continue to consider, numerous measures related to climate change, greenhouse gas emissions and other laws and regulations affecting our end markets, such as oil, gas and other natural resource extraction. Should such laws and regulations become effective, demand for our services could be affected, our fleet and/or other costs could increase and our business could be materially adversely affected.

[Annual Report](#)  
[Herc Rentals Sustainability](#)

10-K: 16  
33 to 34

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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	<p>Further, investors are placing a greater emphasis on non-financial factors, including ESG factors, when evaluating investment opportunities. If we are unable to provide sufficient disclosure about ESG practices or if we fail to achieve ESG goals, investors may not view us as an attractive investment, which could have a negative effect on our stock price and business.</p> <p><b>Climate-Related Opportunities</b></p> <p>Sustainability experts believe that the passage of the Inflation Reduction Act in August 2022 will be one of the largest investments in combating climate change in US history. Combined with the passage of the Infrastructure Investment and Jobs Act and CHIPS and Science Act, these initiatives provide substantial opportunities for the company to provide fuel-efficient equipment to support the construction of these mega industrial and infrastructure projects.</p> <p>Our rental business model supports the circular and sharing economies by avoiding the purchase of equipment by our customers. This cost- and fuel-efficient alternative also avoids the incremental emissions related to manufacturing and is at the heart of our long-term growth strategy.</p> <p><b>Environmental Action Plan to Achieve 2030 Goals</b></p> <p>We have identified initiatives in each of the time frames below as part of our Environmental Action Plan:</p> <ul style="list-style-type: none"> <li>▶ Short-term: 2019 to 2024</li> <li>▶ Mid-term: 2025 to 2028</li> <li>▶ Long-term: 2029 to 2035</li> </ul> <p>In the short-term we have committed to three ESG goals where we see opportunity to reduce GHG emissions intensity and non-toxic landfill waste intensity over a 10 year or long-term horizon to 2030 from a 2019 baseline year. As we assess how effective we are at meeting annual reductions to achieve our 10-year goals, we can further develop longer-term goals based on identified climate-related risks and additional opportunities.</p>		
<p>Description of process(es) used to determine which risks and opportunities could have a material financial impact on the organization:</p>	<p>The Nominating and Governance Committee and the Audit Committee assists the Board in fulfilling certain of the Board's oversight responsibilities, and meet frequently throughout the year.</p> <p>The Nominating and Governance Committee reviews the Company's ESG and sustainability strategies, initiatives and policies and Corporate Citizenship Report at least annually and receives updates from the Company's Vice President, Sustainability on significant emerging ESG and sustainability trends that may affect the Company's business activities, performance or reputation.</p> <p>The Audit Committee reviews various aspects of company compliance as well as financial structure, short and long-term financing in both the public and private market and other financial matters of importance to the Company. Through their review process, the Audit Committee has multiple tasks, one of which is to discuss with management the results of the annual corporate risk assessment, the Company's major financial risk exposures, the Company's technology and information security risks, including cybersecurity, and the steps management has taken to monitor and control such exposures, including the guidelines and policies to govern the process by which risk assessment and management is undertaken. The risk factors are reviewed at least annually and reported on within the 10-K report to the SEC. Additionally, the Audit Committee discusses results of the annual risk assessment, the annual internal audit plan and commitment of internal audit resources with the Senior Director, Internal Audit for oversight of Internal Audit.</p>	<p><a href="#">Proxy Statement</a></p>	<p>10 to 11</p>

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
<b>STRATEGY B – BUSINESS, STRATEGY AND FINANCIAL PLANNING</b>			
Impact of risks and opportunities on business, strategy and financial planning:	<p>An increase in demand for rental equipment may require additional capital expenditures in order for us to compete for such demand and we may not be able to make similar levels of investment as our larger competitors. In addition, in an effort to combat climate change, our customers may require our rental equipment to meet certain standards. If we are unable to meet such standards and the expectations of our customers, our business and results of operations could be materially adversely affected.</p> <p>Further, investors are placing a greater emphasis on non-financial factors, including ESG factors, when evaluating investment opportunities. If we are unable to provide sufficient disclosure about ESG practices or if we fail to achieve ESG goals, investors may not view us as an attractive investment, which could have a negative effect on our stock price and business.</p>	<a href="#">Annual Report</a>	10-K: 16
Additional comments:	<p>In assessing short term impact to climate-related issues and how we respond to risks and opportunities, we have seen certain indirect operating costs increase slightly in our requests for renewable energy sources for grid electricity. Additionally, in our request for purchasing equipment that would meet demands of customer requests, emerging regulatory trends, as well as to meet our own low-carbon economy goals, we may experience supply chain delays from time to time as well as higher capital cost of products and services.</p> <p>In 2020, we committed to a GHG reduction goal to reduce our scope 1 and 2 GHG emissions intensity by 25% from our 2019 baseline by 2030. While we made progress in reducing our GHG emissions intensity by revenue in 2022, with our expectations for accelerated growth, we cannot presume the cadence of our annual progress through 2030. We are in the beginning stages in evaluating further improvements in fuel consumption within our operations.</p> <p>Annual changes in GHG emissions may be compounded by adding more sales, safety and other operations as we expand. As part of our ongoing growth, we expect to introduce electric vehicles (EVs) in our assigned fleet as well as our customer fleet. We can further reduce inefficient consumption by replacing older model assigned trucks with new models and/or EV models within our energy-reduction opportunities. We are targeting additional opportunities within our facilities infrastructure, including upgrading equipment to more energy efficient or renewable alternatives for electricity consumption.</p> <p>LED lighting — During 2022, we increased the percentage of facilities with upgraded lighting by 28% from the previous year. We have also implemented a national program where we have dedicated \$3 million in funding to upgrade at least 65% of facilities by the end of 2023. We anticipate most energy-savings will be targeted by this approach with conservative savings of approximately 10% in electricity consumption. Other equipment needing upgrades will be evaluated in later years per our Environmental Action Plan (see our 2023 Corporate Citizenship Report, page 34), such as HVAC and hot water heaters.</p> <p>Renewable energy sources — We currently have 10 locations with solar panels that have an expected production capacity of 670 megawatt hours per year based on their specifications and previous production measurements. We hope to expand the solar footprint of our facilities starting in 2023.</p>		
<b>STRATEGY C – RESILIENCE OF THE ORGANIZATION’S STRATEGY</b>			
Resilience of the organization’s strategy:	<p>Over the next few years, we will continue to add new locations through greenfield and acquisitions. As of December 31, 2022, we operated 356 locations. We plan to invest approximately \$1.0 to \$1.2 billion in net fleet capital expenditures in 2023. While our expansion necessitates our reporting on Scope 1 and Scope 2 GHG emissions on an intensity basis, using total revenues as a denominator, we continue to focus on an absolute reduction in GHG emissions, as this represents the true intent of our climate-related initiatives. We also expanded our ESG reporting, and our Board of Directors endorsed the UN Sustainable Development Goals last year and will continue to collect and expand value chain Scope 3 reported metrics.</p>	<a href="#">Q1 2023 Earnings Release</a>	3

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
<h2>RISK MANAGEMENT</h2> <p data-bbox="134 316 2572 349">Disclose how the organization identifies, assesses, and manages climate-related risks</p>			
<h3>RISK MANAGEMENT A - IDENTIFYING AND ASSESSING CLIMATE RELATED RISKS</h3>			
Identifying and assessing climate-related risks:	The Company's Enterprise and Risk Management Committee (ERM), reviews potential risks to the organization's operations and financial results on a quarterly basis. Each quarter, the ERM asks its members to prioritize the risks facing the organization. The top 12 perceived risks then become the focus for mitigation actions. The ERM reports on its findings and recommendations to the Audit Committee at least once a year.	<a href="#">Proxy Statement</a>	10-12
<h3>RISK MANAGEMENT B - PROCESSES FOR MANAGING CLIMATE RELATED RISKS</h3>			
Processes for managing climate-related risks:	The Company is in the early stages of determining a process for identifying, assessing and managing climate related risks.		
<h3>RISK MANAGEMENT C - ORGANIZATIONAL INTEGRATION OF RISK MANAGEMENT PRACTICES</h3>			
Organizational integration of risk management practices:	After the ERM identifies and assesses an enterprise risk, it determines the likelihood or severity of such a risk to the organization to then follow up with steps to mitigate or lessen its potential.		
<h2>METRICS AND TARGETS</h2> <p data-bbox="134 868 2572 901">Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>			
<h3>METRICS AND TARGETS A - METRICS USED BY THE ORGANIZATION</h3>			
Metrics used by the organization to assess climate-related risks and opportunities:	We disclose 1) energy consumption reported in megawatt hours of consumed fuel, natural gas, and electricity) and as intensity (MWh/\$M in revenue), 2) greenhouse gas emissions intensity (MT CO <sub>2</sub> /\$M in revenue) of Scope 1 and 2 (market-based), 3) water consumption intensity (kilogallons/\$M in revenue), and 4) waste intensity (metric tons/\$M in revenue). Waste is further broken down to hazardous and non-hazardous, and what ratios were diverted, incinerated, or ultimately at a landfill. The recycled component is further broken down to type of material. We have identified some metrics for measuring Scope 3 GHG emissions (MT CO <sub>2</sub> /\$M in revenue).	<a href="#">Herc Rentals Sustainability</a>	35 to 38
<h3>METRICS AND TARGETS B - SCOPE 1 &amp; 2 GHG EMISSIONS AND SCOPE 3 GHG EMISSIONS</h3>			
Disclose Scope 1 greenhouse gas (GHG) emissions:	119,071 MT CO <sub>2</sub> e	<a href="#">Herc Rentals Sustainability</a>	37
Disclose Scope 2 greenhouse gas (GHG) emissions:	11,194 MT CO <sub>2</sub> e location-based and 12,960 MT CO <sub>2</sub> e market-based	<a href="#">Herc Rentals Sustainability</a>	37
Discuss Scope 1 and Scope 2 greenhouse gas related risks:	132,030 MT CO <sub>2</sub> e market-based for Scope 2	<a href="#">Herc Rentals Sustainability</a>	37

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Additional comments:	Our methodology for calculating GHG emissions is provided in the GRI Index in response to GRI 302-3, 305-4, and the GRI 3-3 management of material topics for energy and emissions. A four-year trend of our Scope 1, 2, and 3 GHG emissions are reported in our 2023 Corporate Citizenship Report.	<a href="#">Herc Rentals Sustainability</a>	37
Disclose Scope 3 greenhouse gas (GHG) emissions:	76,360 MT CO <sub>2</sub> e To date, we report on three of the 15 Scope 3 metrics; fuel sold in rentals, third-party freight and business air travel.	<a href="#">Herc Rentals Sustainability</a>	37-38
Discuss Scope 3 greenhouse gas (GHG) emissions and the related risks:	<p>Energy consumption derived through external operations outside of our direct control is considered in our overall sustainability commitments. Currently, we have verified data for two areas of energy consumption contributing to our Scope 3 GHG Emissions, including business air travel and customer fuel consumption using our rented equipment. We previously included trace emissions introduced during the utility production and treatment processes as well as landfill and other waste disposal methods. The absolute values of these additional GHG emissions are minimal and would contribute less than 0.1% of our total Scope 3 GHG emissions, with the highest contributor being from water and wastewater treatment processes. We are in the process of verifying our third-party freight fuel usage. Based on a preliminary review of the third-party mileage, freight, and total customer fuel provided data, we estimate that this external operation contributes to 10% or more of our total Scope 3 GHG emissions.</p> <p>We reported an increase in our estimated Scope 3 GHG emissions in 2022 compared to 2021 by 49% in absolute values and 13% in intensity by revenue.</p>	<a href="#">Herc Rentals Sustainability</a>	37-38
<b>METRICS AND TARGETS C – TARGETS USED BY THE ORGANIZATION TO MANAGE CLIMATE RELATED RISKS</b>			
Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets:	<p>Consistent with our enhanced corporate focus on ESG, we established three major sustainability goals for 2030, using 2019 as our base year:</p> <ol style="list-style-type: none"> <li>1) Reduce Scope 1 and Scope 2 greenhouse gas emissions intensity by 25%</li> <li>2) Reduce non-toxic waste to landfill intensity by 25%</li> <li>3) Improve safety metrics annually, with the Total Recordable Incident Rate (TRIR) reaching 0.49 or better</li> </ol>	<p>Proxy Statement <a href="#">Herc Rentals Sustainability</a></p>	<p>11 4</p>
Additional comments:	The Compensation Committee of the Board selects Management Business Objectives (MBOs) that are aligned with our business purpose and are considered important to our long-term financial and operation performance and the health and safety of our employees. The MBOs selected by the Compensation Committee for 2022 were: (i) ESG – integrate ESG into corporate strategy; (ii) Information Technology – modernization and transformation of our information technology systems; and (iii) People and Culture – reduce turnover, increase internal promotions rate, and increase engagement.	<a href="#">Proxy Statement</a>	24

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This report contains statements that Herc Holdings Inc. believes to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including, without limitation, statements regarding Herc Holdings’ future business strategy, targets, and plans and objectives for future operations, are forward-looking statements. Forward looking statements are generally identified by the words “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “forecasts,” and future or conditional verbs, such as “will,” “should,” “could” or “may,” as well as variations of such words or similar expressions. All forward-looking statements are based upon our current expectations and various assumptions and, there can be no assurance that our current expectations will be achieved. They are subject to future events, risks and uncertainties - many of which are beyond our control - as well as potentially inaccurate assumptions, that could cause actual results to differ materially from those in the forward-looking statements. Further information on the risks that may affect our business is included in filings we make with the Securities and Exchange Commission from time to time, including our most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q, and in our other SEC filings. We undertake no obligation to update or revise forward-looking statements that have been made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

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