



HERC HOLDINGS INC.

# 2024 Corporate Citizenship Report



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## About this Report

Our 2024 annual Corporate Citizenship Report highlights environmental, social and governance topics most relevant to our business with a focus on the period from January 1, 2023 to December 31, 2023, unless otherwise stated. We continually seek to advance our sustainability initiatives and transparently share the latest information available. Toward that end, this report also highlights accomplishments achieved in the first quarter of 2024 where noted.

We referenced the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) when preparing the contents of this report. Reported items are aligned to the Sustainable Development Goals (SDGs). Climate-related disclosures follow the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Our 2023 Scope 1 and 2 greenhouse gas emissions were subject to third party review (limited assurance) in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Information about Scope 3 emissions in this report is limited to available data; however, we intend to develop more comprehensive and complete Scope 3 emissions measurements over time. Throughout this report, data figures are rounded. More information

regarding forward-looking statements and third-party limited assurance is included in the report's Appendix and Data Supplement.

Use of "material" in our Corporate Citizenship Report is for purposes of referencing GRI and SASB guidance. 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.



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# Introduction and Approach



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A Message from Our CEO

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2023 Sustainability Highlights

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2030 Goals and Progress

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Company Overview

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Sustainability Strategy and Priorities

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Awards and Recognition

**T**his section provides an executive-level overview of our business and its contribution to a circular economy. We highlight our most significant achievements in environmental, social and governance areas, as well as the recognition we have received for our performance. Additionally, we demonstrate our commitment to the Sustainable Development Goals, stakeholder engagement and embedding sustainability into our business model.

## A Message from Our CEO



### To Our Stakeholders:

2023 was another exceptional year for Herc Rentals. We achieved record total revenues and added 42 locations to our branch network through strategic acquisitions and new branch openings in key urban markets. We also increased our team size by nearly 10%, strengthening our ability to advance several sustainability initiatives that enable us to create positive and meaningful impact.

In this spirit, I am pleased to share our Corporate Citizenship Report for full-year 2023, and early 2024. The pages within this report detail our progress in executing our various sustainability goals and initiatives that go hand in hand with our purpose of equipping our customers and communities to build a brighter future.

Highlights we are proud to share include:

#### **Safety Performance**

Safety is our top priority, and our 2023 Total Recordable Incident Rate (TRIR) of 0.80 remains better than the industry's benchmark of 1.0, reflecting our high standards and commitment to the safety of our people and customers. We strive for 100% Perfect Days, meaning a working day with no recordable incidents, no Department of Transportation violations and no at-fault motor vehicle accidents. For full-year 2023, on a branch-by-branch measurement, all of our operations achieved at least 98% of days as perfect.

#### **People and Culture**

We also strive to make sure every employee feels welcome and able to do their best work, and we measure our progress through our annual team member survey. In 2023, we once again received a best-in-class response rate, with 86% of our team members sharing their feedback. We also received an Employee Net Promoter Score (eNPS) of 44, a 10-point improvement from our 2022 survey, bringing us closer to a top-tier eNPS of 50.

Creating a culture where team members are proud to work is part of our vision to be the employer of choice in our industry. This year, we reached a significant milestone in pursuit of that vision by becoming the first North American equipment rental company to achieve Great Place To Work® Certification.™

#### **Community Engagement**

As of today, we are over 7,600 team members strong, and we empower our team to make a positive impact in the communities where we live and work.

Toward that end, in 2023 we introduced a Volunteer Time Off benefit, providing eligible employees with eight hours of paid time to serve in their communities. And this year, we refined our social impact vision by establishing three brand-aligned pillars to guide our volunteerism and charitable giving: Safe & Resilient Communities, Education & Skill Building and Environmental Stewardship.

#### **Environment**

Our commitment to environmental stewardship is rooted in our values — we do what's right. And across our operations we are delivering on environmental goals that we set to achieve by 2030, compared to a 2019 baseline. We have already met our goal to reduce Scope 1 and 2 greenhouse gas (GHG) emissions intensity by 25%, and we anticipate achieving our goal to reduce landfill waste intensity by 25% later this year. We will assess how we can continue minimizing GHG emissions and waste and plan to establish new goals to motivate ongoing progress.

We are also committed to helping our customers reduce the environmental impacts of their business activities. Today, 38% of our rental fleet is electric or hybrid, and we aim to grow that percentage over time. In addition, we continue to invest in technologies and solutions that enhance our GHG emissions reporting capabilities and improve efficiency and productivity, while strengthening our partnerships with customers and suppliers to advance shared sustainability objectives.

#### **Sustainability Oversight**

To reinforce our sustainability oversight structure, in 2024 we established a Sustainability Executive Steering Council, which sets the strategic direction

for our sustainability programs and identifies ways to incorporate sustainability initiatives into our operations and strategy. The Council is comprised of select senior management and is supported by two Working Groups: An Environmental Working Group focused on improving enterprise-wide environmental performance and guiding climate-related disclosures, strategy and opportunities; and a Social Impact Working Group focused on strategically advancing our employee volunteerism and corporate philanthropy efforts.

We are grateful to all our stakeholders who are contributing to our progress that is outlined in this report — especially to our team members delivering for our customers every day, while ensuring safety remains at the forefront of everything we do.














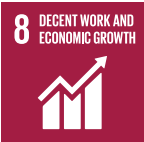




As we look ahead with a continued focus on building brighter futures, we are committed to advancing our products, services and solutions for the customers and communities we are privileged to serve.

Sincerely,

**Larry Silber**  
President and Chief Executive Officer  
Herc Holdings Inc.

## 2023 Sustainability Highlights


Our key accomplishments are illustrated in alignment with relevant Sustainable Development Goals (SDGs). Adopted by all United Nations Member States in 2015, the SDGs are a blueprint to help all people realize peace and prosperity while safeguarding Earth's bounty for current and future generations.

	Our Focus	Actions and Results	SDGs
 <p><b>People</b></p>	Putting safety first and always	All branches reported >98% Perfect Days	   
	Offering an array of benefits to our team members	56% of eligible employees earned a financial incentive for their wellness activities <sup>1</sup>	
	Investing in professional development	52 training hours per employee on average <sup>2</sup> , well above the industry standard	
	Attracting, retaining and growing women team members	Women in Action Resource Group launched a Peer Partner onboarding program	
	Hiring and supporting veterans	9% of our workforce are veterans—compared to 6% of the U.S. population	
	Valuing diversity	50% of Board of Directors identify as women or People of Color	
 <p><b>Planet</b></p>	Contributing to a circular/shared economy	Optimizing equipment utilization among many users	     
	Offering customers access to fuel-efficient equipment	38% of rental equipment fleet is electric or hybrid by count <sup>3</sup>	
	Reducing GHG emissions intensity	8% decrease from the previous year	
	Conserving energy	53% of facilities upgraded to LED lighting	
	Minimizing waste to landfill	63% of waste diverted from landfills	
	Stewarding water resources	28% of branches in water-stressed zones use water reclamation systems <sup>4</sup>	
 <p><b>Prosperity and Partnerships</b></p>	Being the employer of choice in our industry	Employee Engagement Index performance exceeds the North American benchmark by 7%	    
	Supporting economic growth	Strategically added 42 branches in key urban markets	
	Equipping our customers to build a brighter future	16% of rental revenue earned from infrastructure and government	
	Equipping communities to build a brighter future	Launched Volunteer Time Off benefit for team members to give back	
	Conducting business ethically and with integrity	Upheld robust conduct, anti-corruption, fair labor, data privacy and other policies	
	Sourcing equipment and other products and services responsibly	Surveyed suppliers representing 80% of spend	

## 2030 Goals and Progress

The Sustainable Development Goals and related targets outlined in the 2030 Agenda provide companies, nonprofits, government agencies, and communities with directional inspiration to guide their efforts. Herc Rentals developed three specific sustainability goals tailored to our business to be achieved by 2030 compared to our 2019 baseline. We met our goal to reduce our greenhouse gas emissions intensity<sup>5</sup> and anticipate achieving our landfill waste intensity<sup>6</sup> reduction target later this year. We will evaluate developing updated environmental goals to foster continuous improvement.

-  Complete
-  Nearly Complete
-  Progress



**Goal**  
Reduce our Scope 1 and Scope 2 GHG emissions intensity<sup>5</sup> by

**25%**


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**Status**  
Achieved **26.0%** reduction in GHG emissions intensity<sup>5</sup>

---

**Actions**

- ▶ Encouraging fuel-efficient driving habits
- ▶ Performing preventative fleet maintenance
- ▶ Upgrading lighting to LED
- ▶ Optimizing HVAC efficiency





**Goal**  
Reduce landfill waste intensity<sup>6</sup> by

**25%**


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**Status**  
Achieved **24.6%** reduction in landfill waste intensity<sup>6</sup>

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**Actions**

- ▶ Going paperless where possible
- ▶ Setting up recycling at new branches
- ▶ Preventing spills
- ▶ Using water-soluble solvent alternatives





**Goal**  
Reduce Total Recordable Incident Rate (TRIR)<sup>7</sup> to

**0.49**


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**Status**  
**0.80** TRIR<sup>7</sup>, favorably trending downward since 2019

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**Actions**

- ▶ Cultivating a strong safety culture
- ▶ Addressing safety risks
- ▶ Communicating top safety issues
- ▶ Training and empowering team members



## Company Overview

Herc Rentals was founded in 1965, when it was known as the Hertz Equipment Rental Company. On June 30, 2016, Herc Holdings Inc. (the "Company") became an independent company and was listed on the New York Stock Exchange under the ticker symbol "HRI". Herc Holdings Inc. operates Herc Rentals Inc. as its primary subsidiary.

Herc Rentals is a premier, full-service equipment rental company and equipment solutions provider. We offer a broad portfolio of equipment for rent, as well as equipment management, repair, maintenance, safety training and other services. Herc Rentals operates through several product lines such as Herc Classic, Herc Entertainment Services, ProSolutions,® ProTruck, Floor Care and ProResources. We cater to diverse customers and industries such as contractors, commercial facilities, industrials, infrastructure and government.

Our purpose is to equip our customers and communities to build a brighter future. We accomplish this by providing quality equipment and solutions, and by adhering to our core mission, vision and values.



### 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

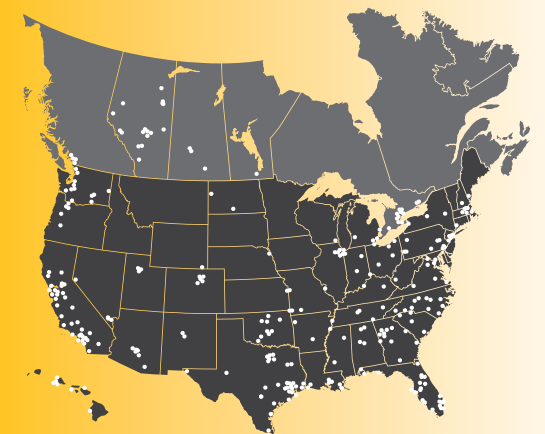
We do what's right.  
We're in this together.  
We take responsibility.  
We achieve results.  
We prove ourselves every day.

Herc Rentals' competitive strengths include our significant scale, broad geographic footprint, leading-edge technology diversification and operational cost efficiencies. Our long-term strategy is focused on:

1. Growing our core business in urban markets;
2. Expanding specialty offerings;
3. Elevating technology to improve the customer experience and operational effectiveness;
4. Integrating environmental, social and governance initiatives; and
5. Allocating capital in a balanced, disciplined and opportunistic manner.

## 2023 at a Glance

- ▶ Over 58 years of equipment rental expertise
- ▶ Over 7,300 team members
- ▶ 12% increase in equipment rental revenue
- ▶ Strategically added 42 branches in key urban markets, half of which were through acquisitions<sup>8</sup>
- ▶ 29-year average tenure for national account customers, an indication of customer loyalty
- ▶ Nearly 400 locations spanning 42 states and 5 provinces in the United States and Canada



## Sustainability Strategy and Priorities

We aspire to be the supplier, employer and investment of choice in our industry while contributing to a circular economy and focusing on our safety mission. Our E3OS Business Operating System is designed to deliver the optimal customer experience by driving operational effectiveness and helping us achieve repeatable results, increased efficiency and sustainable growth. We operate with integrity and believe our work contributes to building brighter futures for the communities in which we operate.

### Stakeholder Engagement and Materiality

We engage employees, customers, investors, analysts, suppliers, shareholders, nonprofits and community members through ongoing interactions including surveys, in-person and virtual meetings and events, volunteering and tradeshows. We gain valuable insights and feedback from these stakeholders that we consider in tandem with competitive benchmarking studies, risk assessments and guidance from leading sustainability standards. Based on informed decisions from our research and stakeholder engagement, we focus on the sustainability topics illustrated on this page because we deem them to be material or view them as relevant topics for our sustainability strategy and disclosure efforts. We intend to complete a formal sustainability materiality assessment later this year to further validate and/or refine the topics we focus on for our sustainability programs and reporting.



We welcome hearing your thoughts about our sustainability initiatives and reporting at [Sustainability@HercRentals.com](mailto:Sustainability@HercRentals.com).

Social and Economic	Environmental	Governance and Policies
Business strategy, performance and tax	Greenhouse gas emissions and climate	Sustainability oversight
Health and safety*	Energy-efficient rental equipment fleet	Board diversity
Fair and equitable labor practices	Energy use	Enterprise risk management
Human capital management	Waste	Codes of ethics and conduct
Inclusion, diversity and belonging	Water	Data privacy and cybersecurity
Learning and developing	Environmental compliance and assessment of operations	Anti-corruption
Community engagement		Human rights and anti-modern slavery
		Supplier engagement

\*Covers both our workers and customers.

## Integrating Sustainability into Our Business Strategy

Our business model unlocks value across our supply chain by contributing to a circular economy, focusing on safety and building resilience through product line diversification. By scaling and optimizing our growth across geographies and penetrating new industries, we believe we have a resilient business model and are proud to support our customers in achieving their safety and environmental objectives.

## Safety and Circularity

### Sourcing:

We are committed to providing products and services that meet or exceed applicable health and safety standards and regulations. We have strong relationships with original equipment manufacturers (OEMs) that we believe are mutually beneficial. For example, in 2023 we worked with one OEM to support their development of a supplemental operating manual to help telehandler operators increase safety and save time. We are dedicated to sourcing rental fleet equipment with ergonomic and energy-efficient features where viable market solutions exist. Additionally, we believe our business supports OEMs in reducing waste streams and progressing goals to decarbonize their operations as less manufacturing is needed when large quantities of equipment operators rely on rentals.

### Use and maintenance:

We regularly inspect and test our rental fleet equipment to boost safety and energy-efficient features and offer our customers safety information and training demonstrations. Our equipment rental fleet undergoes regular replacement cycles, giving customers access to the latest fuel-efficient products and encouraging greater equipment efficiency over its lifespan. In addition, we utilize high-quality tires, equipment batteries and engine oils designed for durability and longevity to support waste minimization. Our ProControl® NextGen™ technological solution enables customers to optimize equipment through real-time utilization insights.

### Disposal and recycling:

Once equipment has completed its useful life in our fleet, it is sold for reuse or disposed of in an environmentally responsible manner, complying with waste management and recycling regulations and appropriately recovering components where applicable.



## Easy, Expert and Efficient Operating Model

We introduced our new E3OS Business Operating System in 2023. It will drive every aspect of our culture and embody Herc Rentals' commitment to deliver the ideal customer experience at every touchpoint. E3OS enables continuous improvement of our operational effectiveness at scale and reflects our brand promise of being:

1. Easy to do business with;
2. Expert at what we do; and
3. Efficient in serving our customers.



This is a game-changing initiative that will amplify our capabilities in equipment rental and set new standards of excellence for our customers. A company-wide rollout plan for E3OS is in place, and putting the tools into practice is an important goal for 2024.

## Awards and Recognition

As a leading North American equipment rental company, we are committed to excellence not only in our products and services, but also in our social and environmental responsibilities. Providing value to our customers, our team members and the planet is how we live our company commitment to *prove ourselves every day*. We are proud to share some of the awards and recognitions we earned for our efforts from reputable organizations and media outlets.

### 2023-2024



#### Sustainability, Customer Experience or Environment



3x Winner



2x Winner



#### Supporting and Hiring Veterans



2x Winner



2x Winner



3x Winner



#### Culture and Workplace





# People and Communities



Health and Safety

Human Capital Management

Inclusion, Diversity and Belonging

Community Engagement

Fair and Equitable Labor Practices

**A**s a leading equipment rental company, we recognize that our success depends on the skills, dedication and well-being of our employees. Our vision is to be the employer of choice in our industry. We prioritize safety and are dedicated to creating a positive and inclusive work environment where everyone can thrive, grow and make a difference. We also care about the communities where we operate and strive to contribute to their social and economic development.



## Health and Safety

**W**e aim to foster a culture of safety excellence where everyone takes personal accountability for their own and others' safety. We continuously monitor our health and safety performance and share key learnings and insights to embed safety into every aspect of our culture.

### Safety, First and Always

At Herc Rentals, safety is at the core of everything we do. We are committed to providing a safe and healthy work environment for our employees, contractors, customers and communities. We value the safety and well-being of our people and have made safety our top priority. Taking measures to prevent and minimize work-related injuries and job hazards is paramount to our success.

Our strong safety culture, safety leadership at all levels, Health and Safety Management System, annual safety continuous improvement

program called "Focus Five" and ongoing safety communications are instrumental in helping us methodically address potential safety risks. Our results reflect ongoing efforts to identify and eliminate hazards, train and empower our workers, communicate and consult on safety matters and recognize and reward outstanding safety performance.

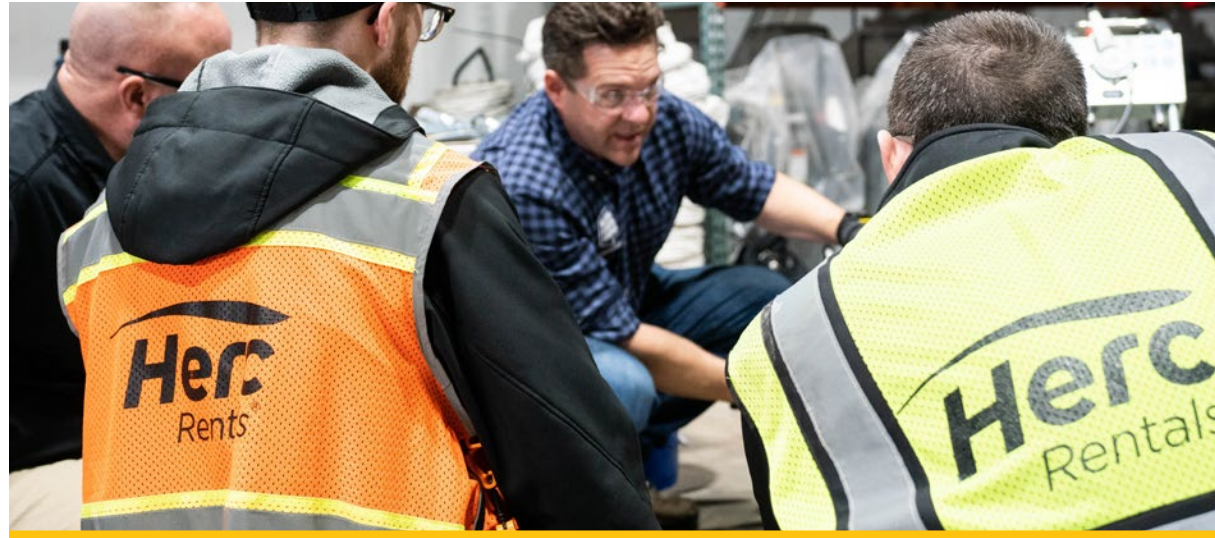
## 2023 Safety Performance Highlights

- ▶ **0.80 Total Recordable Incident Rate (TRIR)**  
— favorably trending downward since our 2019 baseline and better than the 1.0 industry standard<sup>9</sup>
- ▶ **All branches reported >98% Perfect Days**
- ▶ **0.51 Days Away/Restricted Transfer Rate (DART)**
- ▶ **0.15 Lost Time Case Rate (LTC)**
- ▶ **Vehicle Out of Service (OOS) Rate of 15.6%**  
— 580 bps better than the U.S. national average<sup>10</sup>
- ▶ **Driver OOS Rate of 1.8%**  
— 420 bps better than the U.S. national average<sup>10</sup>
- ▶ **Hazmat OOS Rate of 5.0%**  
— near the 4.5% U.S. national average<sup>10</sup>

## Health and Safety Management System

Our Health and Safety Management System (HSMS) is a comprehensive and systematic approach to managing health and safety risks and opportunities in our organization. It is compliant with ISO 45001 and aligned with the International Labour Organization (ILO) Guidelines on Occupational Safety and Health Management Systems.

Our HSMS covers all our employees and contractors, as well as our operations, activities, products and services across geographies where we do business.



### Our HSMS consists of the following elements:



#### Leadership and commitment:

We demonstrate our leadership and commitment to safety by establishing our Safety Policy, setting our safety objectives and targets, allocating our resources, and ensuring accountability and responsibility. Operations leaders have a key role in the communication and implementation of, and ensuring adherence to, safety and compliance procedures and standards.



#### Planning:

In planning our HSMS, we take crucial steps to ensure the well-being of our team members and to create a safe work environment. These steps include developing and publishing health and safety policies and programs and the measurement of health and safety performance across Herc Rentals.



#### Support:

We support our HSMS through several key approaches, including senior management commitment to safety, written safety policies and programs, employee involvement and feedback, employee training, and hazard identification and control.



#### Performance evaluation:

Our HSMS establishes the systems for measuring leading and lagging indicators and monitoring the strengths and deficiencies in health and safety performance through design and execution. Herc Rentals recognizes that performance management should be managed and implemented using tools and techniques which are consistent with our values and comply with legal requirements.



#### Improvement:

Improving our HSMS is essential for creating a safer workplace. We improve our HSMS by ensuring adherence to prescribed industry standards, seeking employee input, performing regular assessments (e.g., Job Safety Analysis, Field Level Hazard Assessments), investing in employee training and monitoring and evaluating our performance through metrics, audits and incident data.

We believe internal and external audits of our HSMS help ensure suitability, adequacy and effectiveness. Our HSMS is internally audited across our operations. In the U.S., our HSMS is externally audited at regular intervals by customers. In Canada, it is audited externally in accordance with provincial standards. We also seek feedback and input from our team members, contractors, customers and other stakeholders on how to improve our safety performance and culture.

## Safety Policy

Herc Rentals requires an active commitment to, and personal accountability for, safety and safety compliance from all employees and contractors. Our Safety Policy is a written statement embedded in our Health and Safety Management System that expresses our commitment to employee well-being, outlines specific safety goals and establishes a framework for achieving those goals.

### Our policy undergoes a robust annual review process and covers priorities such as:

Safeguarding the safety and health of our teammates at all times;

Reducing safety incidents and non-conformances;

Meeting or exceeding customer requirements and ensuring their ongoing satisfaction;

Setting safety performance objectives and measuring results to assess and continuously improve safety programs and processes;

Planning for, responding to and recovering from any emergency, crisis and business disruption;

Communicating openly with internal and external stakeholders and ensuring an understanding of our safety procedures, standards, programs and performance;

Improving our performance on issues that concern our stakeholders—especially when our knowledge of successful safety programs and initiatives can help;

Complying with applicable legislation, regulations and industry standards;

Creating a culture where Stop Work is an individual obligation and company responsibility<sup>11</sup>;

Providing occupational health and safety training to all our workers, as well as health and safety training to our customers;

Identifying and effectively managing safety risks;

Allocating appropriate resources to implement this policy; and

Striving to make every day a "Perfect Day" where there are zero Occupational Safety and Health Administration (OSHA) recordable incidents, no Department of Transportation (DOT) / Ministry of Transportation (MOT) violations and no at-fault motor vehicle accidents.



 **Think Safety!**




**Focus Five Program**


As an ongoing initiative to provide a safer working environment for our teams, we introduced a new program called Focus Five in 2023, designed to streamline our safety mission by building awareness of our five most common safety issues. The program aims to reduce the number of preventable safety incidents and is updated annually to meet emerging needs.


# focus5


2024 Safety Goals


**2024 Focus Five:**

- 

**1. Control of Hazardous Energy**  
 Ensure all applicable team members are trained in proper Lockout Tagout and know how to access procedures. Confirm all team members have the appropriate tooling to safely address equipment.
- 

**2. Reduce At-Fault Motor Vehicle Accidents**  
 Focus on driver training and increasing accountability through Corrective Actions.
- 

**3. Hand Safety**  
 Improve awareness around proper glove utilization and hand safety.
- 

**4. DOT/MOT Compliance**  
 Improve pre- and post-trip inspection measures assessing load securement and supplement online employee training courses with in-person offerings.
- 

**5. Customer Safety Engagement**  
 Achieve optimal performance safely, efficiently and effectively as our top priority while enhancing customer engagement around our safety performance and best practices.

## Maintaining Our Safety Culture

At Herc Rentals, we are committed to fostering a culture of safety that empowers our workers to identify and mitigate risks, report and learn from incidents and participate in safety initiatives and activities.



### Councils/Committees:

To encourage a culture of safety leadership, empowerment and accountability among our team members and managers, we have established Branch Safety Councils in the U.S. and Workplace Health and Safety Committees in Canada. These formal joint management-worker health and safety groups are responsible for maintaining an active, positive interest in safety. Specifically, these groups are the forum where accident causes are discussed, objectives are set and preventive measures are initiated and pursued. They also recommend methods to enhance our safety culture, review safety procedures, identify areas for improvement, evaluate training programs and monitor safety performance among other tasks.



### Communication:

Safety communications convey information related to organizational safety guidelines, potential hazards, and safety protocols within Herc Rentals. It encompasses both verbal and written forms of communication. The primary objectives of safety communications are risk awareness, cultivating a safety culture, educating employees and relaying responsibilities. Safety communications are essential for creating a safe and functional workplace, protecting workers, fostering a safety-conscious environment and ensuring that everyone understands and follows safety protocols.

Our safety communications include an annual commitment to safety and ongoing safety reminders from the CEO, weekly "Safety Monday Reports" that highlight safety performance metrics from the prior week and reinforce safety awareness and behaviors at work, Health and Safety Boards at every branch that serve as a dedicated resource for safety-related information, and morning stretch and safety huddles at all locations to help get every working day off to a safe start. Another important safety communication method is our weekly Toolbox Safety Meetings (TBSM), which are designed to facilitate group discussions that focus on pertinent safety topics.



### Recognition:

We recognize and reward our workers, branches, and regions for achieving safety excellence and demonstrating safety leadership. We have a recognition and reward system that includes certificates and awards for individuals and teams who meet or exceed our safety expectations and goals.



## Customer Safety

We are passionate about helping our customers achieve their safety goals by offering reliable equipment alongside relevant safety information and services. Our dedicated team of safety professionals support customers by providing expertise tailored to their specific needs, delivering educational resources and training as well as sharing best practices for diverse safety topics such as personal protective equipment and principles of site hazard identification and control.

We also provide in-depth equipment operator training, which is instrumental in keeping people safe while improving productivity and decreasing incidents, downtime and operating costs.

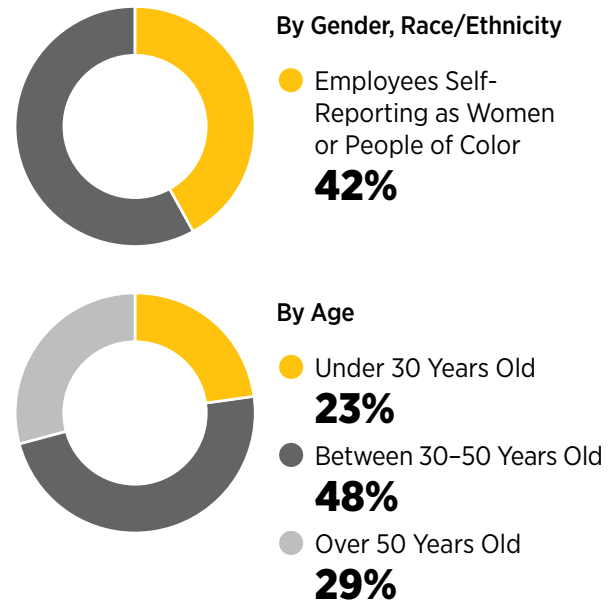
## Human Capital Management

Our people are indispensable to our success, and we take pride in our efforts to develop their skills and talents while supporting their well-being. We aim to attract and retain top talent and contribute to our team members' ongoing professional development. We utilize workforce and succession planning to support business and leadership continuity.

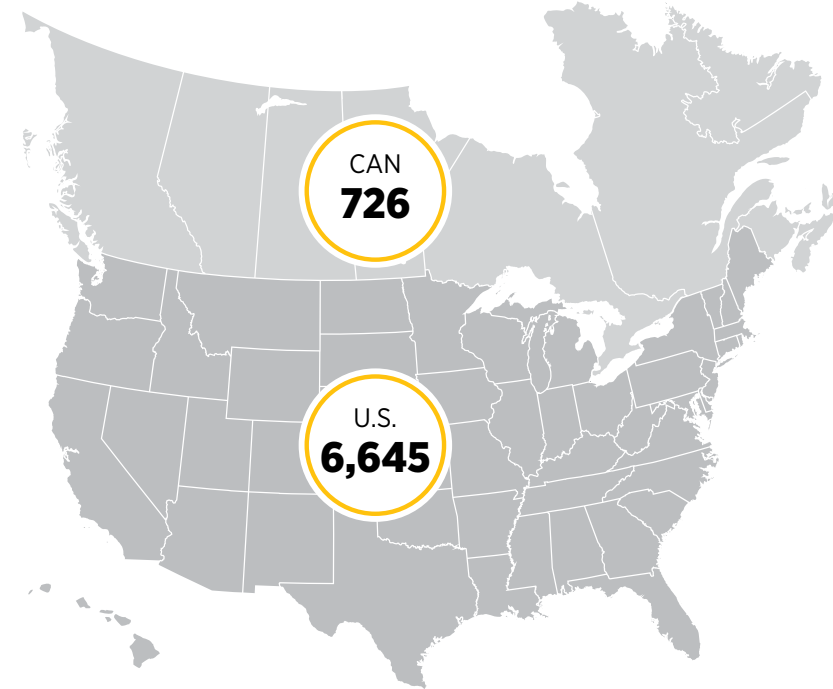
### Workforce Composition

To meet the needs of our expanding branch network, we have significantly grown our team over the years through our talent acquisition and internal talent mobility strategy. Our diverse workforce spans the U.S. and Canada, and we benefit from a range of professional skills and personal backgrounds that enrich our workplace culture while reflecting the population of the communities we serve.

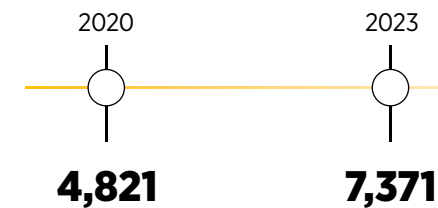
### 2023 Team Members



### 2023 Team Members by Country



### Herc Rentals Team Member Growth



### Talent Acquisition and Internal Talent Mobility

We focus on sustainably developing our team through a combination of external hiring and internal talent movement and mobility. Given that we are growing both organically and acquisitively, key to our success is also the deep industry knowledge and expertise we gain from new team members that join the company with every new acquisition we make.

We have a wide range of external hiring efforts, including recruiting early career candidates from universities, colleges, technical schools as well as

transitioning military veterans. We believe attracting high-potential team members early in their careers enables us to build an inclusive and increasingly diverse workforce over time—one that is reflective of the communities where we operate.

We also invest heavily in developing our people and providing opportunities for team members to grow their careers. As a testament to this, the largest portion of job roles filled in 2023 were from internal movement.

### 2023 Talent Acquisitions Channels

Attracting Early Career Team Members through External Hiring and Offering Career Advancement through Internal Mobility



### Employee Performance and Development

Career and development discussions to prepare team members for their next step is an important part of our career pathing strategy to fill jobs from within. We offer a robust goal-setting and annual review process so team members can reflect on past performance and discuss future growth and development with their supervisors. The majority of Herc Rentals employees receive an annual performance review. In addition to these discussions, coaching for continuous improvement is a behavior embedded in our culture, and managers are encouraged to provide regular feedback to their team members.



### Learning and Development

Another reflection of our commitment to the personal and professional success of our people is our investment in learning and development. All team members can access training programs on a wide range of topics. We want every employee to see a career path and know how to prepare for future growth and career progression. Throughout the year, all employees engage in learning activities. These activities may include compliance-related training, job-specific training and professional developmental programs. We use various methods to facilitate training with an emphasis on learning through practical, hands-on experiences.

### 2023 Training by the Numbers

**52** training hours per employee on average<sup>2</sup>, well above external benchmarks

~**364,000** hours of training collectively completed by employees, an 18% increase from the previous year compared to 10% headcount growth

Our frontline team members, such as our sales professionals, counter representatives and skilled trades workers, are critical to our success. Herc Rentals focuses on hiring for these job categories into our Company via entry-level roles. We heavily invest in training and development for these roles to build a solid foundation for their career progression.

### 2023 Average Training Hours by Job Category and Gender

Learning Hours Include Required, Discretionary, Ongoing Professional Development and Job Training



## Featured Learning and Development Offerings

### Black and Gold Academy:

The Black and Gold Academy is designed to equip early-career team members with the skills needed to advance their careers in our industry. Participants begin in the branch while preparing them for a career in sales. The structured, year-long program accelerates their readiness to succeed in the next step in their career at Herc Rentals. We seek to retain our Black and Gold participants for the long-term and foster open communication between participants and leadership. The networking opportunities through monthly virtual and in-person learning sessions contribute to the satisfaction and overall well-being of our participants.

### Action Selling – the Herc Way:

Our sales force is critical to our success, which is why we provide our Sales Representatives with a sequenced set of onboarding activities to accelerate their productivity. The first class covers internal sales tools and processes for sales. The next is Action Selling, which reviews our sales methodology. This includes a series of skill drills and a certification exam. This program ensures that our Sales Representatives establish the right habits to be successful while equipping them with the skills to serve our customers and further their careers.

### Technician Learning Journeys:

Our professional Technicians, also referred to as Mechanics, are critical to ensuring our equipment is rent-ready. In addition to our safety training, which includes how to operate our equipment safely, we equip our Technicians for career success with comprehensive training that prepares them to meet our rigorous standards. Their learning



journey begins with training that covers internal tools and expectations such as our work order system and customer service training. We provide an array of digital learning courses that cover specifics on the equipment they service, including component overviews, inspection protocols and routine maintenance. On-the-job training with a Technician mentor is a critical part of the program. Course offerings are tailored to our most popular lines of equipment, and training is selected locally to ensure learning and development activities are meaningfully enriching to our Technicians as well as aligned to the needs of the branch.

### 5-Tool Manager:

We are committed to developing strong leaders across our branch network. Our comprehensive 5-Tool Manager program helps us accomplish this by equipping Branch Managers with the operational capabilities and leadership skills to lead and develop their teams while successfully driving growth. The program starts with a five-day foundational course, with one day devoted to each of the five strategic pillars, or "tools," we have identified resulting in Branch Manager success. This course is taught by guest instructors comprised of functional and operational leaders. Subsequent courses in this

learning journey include an Operational Standards Review course, a Shop Operations class and a Leader Skill Series focused on people management and engagement.

### English as a Second Language (ESOL):

We pride ourselves on creating and maintaining an inclusive culture and offer many jobs in the U.S. that accommodate non-English speakers. We take a holistic approach to developing our employees in their personal and professional endeavors. In 2023, we launched a pilot program to serve non-English speakers with a desire to learn or improve their English speaking and writing abilities. Employees who opt to participate in this voluntary pilot receive in-person ESOL classes twice a week during work hours. In addition, they receive an online subscription to a language learning program that they can access to reinforce and expand upon their in-person learning. The courses help employees learn industry-specific technical terminology as well as everyday vocabulary.

### 2023 Team Member Survey

Our leadership team is dedicated to creating a strong, healthy work culture. Our annual team member survey is an important platform that assists leaders in that endeavor by providing insights into employees' sentiments about what it is like to work at Herc Rentals. Such objective insights highlight areas of strength in our culture and help identify potential areas of focus regarding the employee experience. In 2023, 86% of our team members submitted their feedback through the team member survey. This response rate is considered best in class.

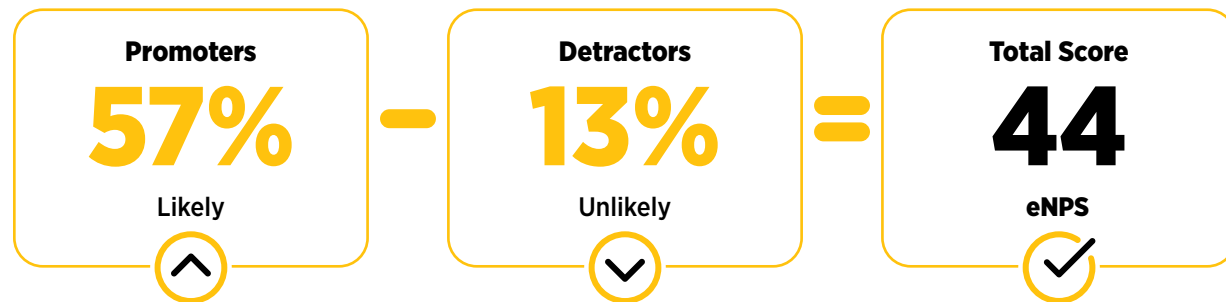
A key metric we use to assess team member satisfaction and loyalty is Employee Net Promoter Score (eNPS):<sup>12</sup> This measures the degree to which employees recommend Herc Rentals as a great place to work, and after three consecutive years of improving eNPS, we received a best-in-class score of 44 for 2023. Exceeding that already impressive score, is an eNPS of 59 that we specifically

measured among our early career team members participating in our Black and Gold Academy for 2023. In addition, we track the number of employees referred to Herc Rentals by current team members. In 2023, 45% of new hires, excluding those who joined through acquisition, involved a referral from a current Herc Rentals team member.

We believe monitoring our eNPS along with other measures provides insights as to how employees feel about the Company's culture and the effectiveness of leadership. In 2023, we also utilized an "Employee Engagement Index" which assesses and scores how happy employees are working at Herc Rentals and eNPS. Our aggregate score of 82 exceeds the North American benchmark of 75. This indicates that our employees are satisfied and engaged with their work at Herc Rentals.

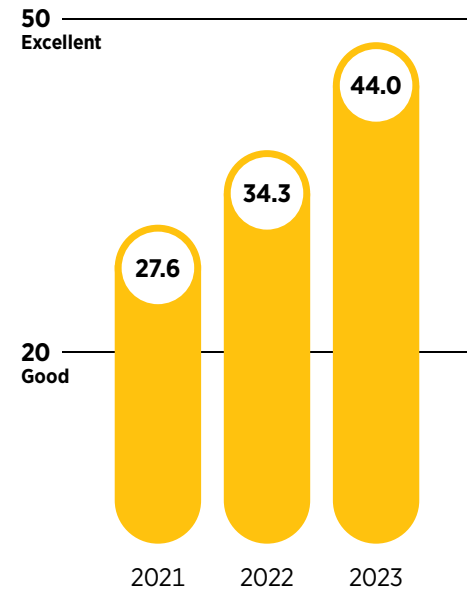
### 2023 Employee Net Promoter Score (eNPS)<sup>12</sup>

Company Overall



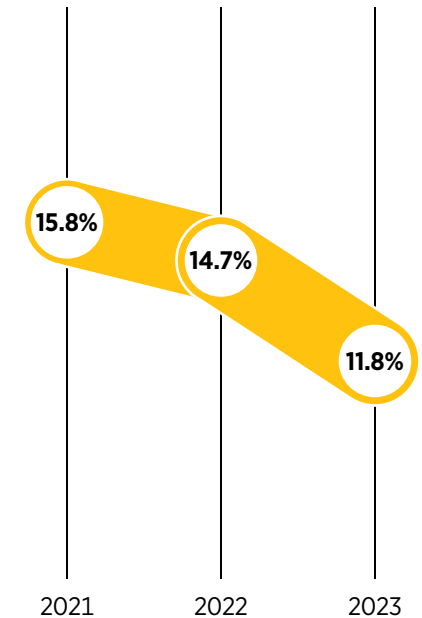
### eNPS—Our Journey

Company Performance Compared to External Benchmarks



### Voluntary Turnover

Favorably Trending Downward YoY



### Employee Retention and Growth

Our commitment to engaging and developing our team members is reflected in our low overall turnover rate, which has consistently decreased for the past three years. Voluntary turnover<sup>13</sup> was 11.8% in 2023, which continues to outperform the broader labor market and industry segments with workforce populations most like ours. These include the transportation, construction and leasing/rental industries. We are especially encouraged to see such a competitive voluntary

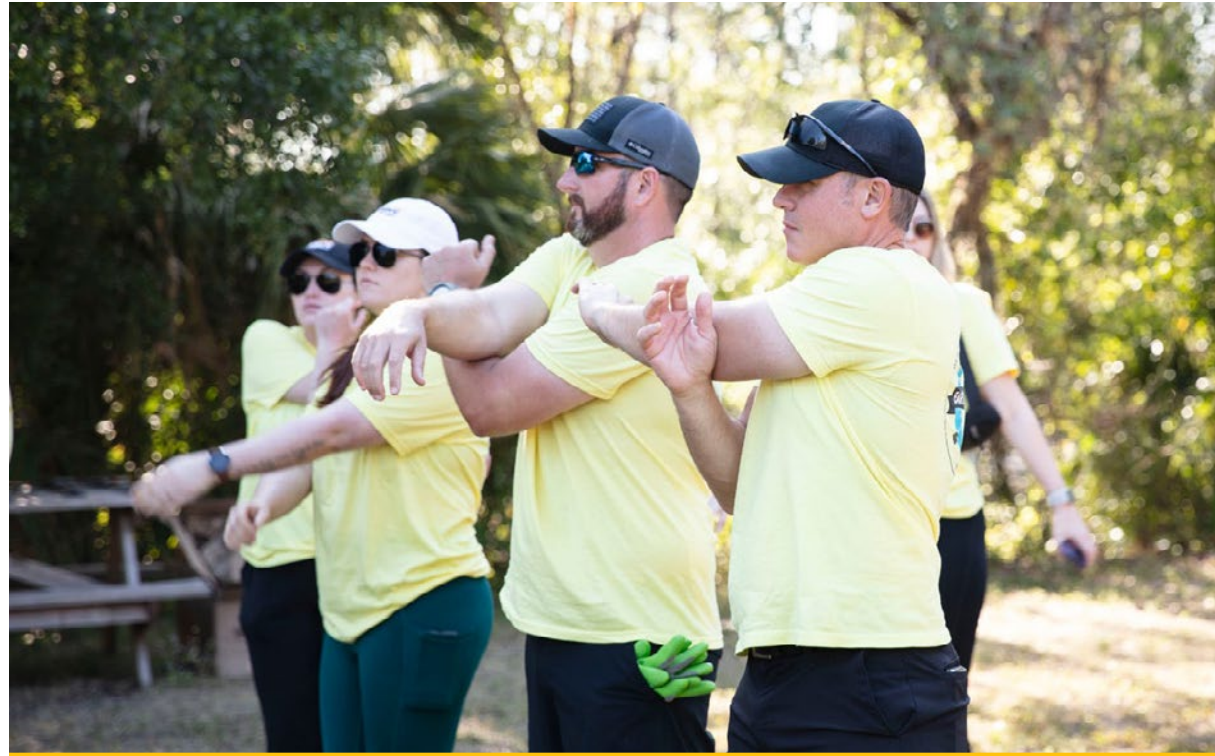
turnover rate amid our high-growth business environment. Maintaining and reducing our already low turnover rate enables us to continue our journey towards sustainable growth while leveraging an experienced and tenured workforce to onboard and train new talent.

## Employee Benefits

We care deeply about the health and wellness of our employees and their families, and recognize the importance of supporting our team's physical, mental and financial well-being.

Herc Rentals offers an array of benefits that support the life and work harmony of our employees and their families. These include programs designed to keep team members healthy, assist them in building financial security and improve their resilience when faced with significant life events.

We regularly review our benefit options to identify how we can improve offerings. Along with benefits like health insurance, paid time off, parental leave and retirement savings, we boast a number of unique options to meet the expectations of a modern workforce. For example, we are proud to provide benefits for adoption assistance reimbursement, tuition reimbursement, paid time off to volunteer, pet insurance and more. We also offer wellness programs that proactively promote healthier lifestyles and preventive care along with disease management programs to help manage chronic health conditions. A list of benefits offerings can be found on our website, and eligibility may vary based on country of residence or union membership.



## A Few Tailored Benefits Offerings

### Herc Life:

Employees with over one year of service can request limited reimbursements for eligible expenses for a variety of health, wellness, education and financial planning activities. In 2023, Herc Life added an emergency savings match feature for U.S. employees. Employees can open an emergency savings account with our partner credit union, make a deposit through payroll and receive a matching contribution for up to the allowed amount.

### Employee Assistance Program:

This confidential, around-the-clock service provides short-term counseling, offers referrals and suggests resources to help employees dealing with everyday issues, such as work pressure and relationship challenges, and highly impactful issues, such as grieving a loved one or being affected by substance abuse.

### Obesity Reversal/Management:

We offer employees two weight loss programs that motivate participants and provide support through group sessions and individual coaching. These programs encourage employees to develop and continue habits that support a healthy lifestyle.<sup>14</sup>

### Diabetes Reversal/Management:

This program is designed to empower our employees and their family members living with diabetes and pre-diabetes to live better and healthier lives by providing access to glucose-tracking devices, medical supplies and expert health coaching.<sup>14</sup>

## 2023 Benefits by the Numbers

**92%** of U.S. employees enrolled in our 401K retirement savings plan, 3% above our record keeper's benchmark<sup>15</sup>

**\$230,000** invested in employees via tuition reimbursement

**56%** of eligible employees earned a financial incentive for their wellness activities<sup>1</sup>

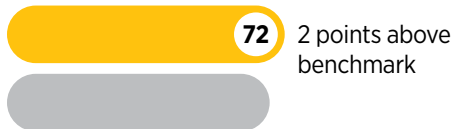
## Inclusion, Diversity and Belonging

At Herc Rentals, we strive to have a workforce that represents the customers and communities we serve. Having a diverse team enriches our company culture, strengthens our business and provides us with a competitive advantage. We deeply value the wide range of backgrounds, experiences, skills and viewpoints that our employees bring, and we work diligently to create a culture of inclusion where every employee feels safe to be themselves.

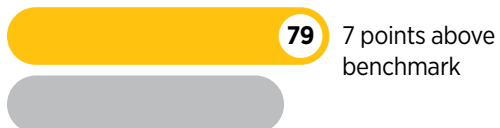
### 2023 Team Member Survey Questions and Our Scores<sup>16</sup>

● Herc Rentals ● Benchmark

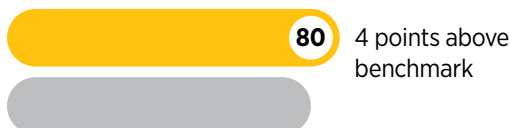
*Leaders at Herc Rentals value different perspectives.*



*I feel a sense of belonging at Herc Rentals.*



*I feel empowered to make decisions about my work.*



### Employee Sentiment

We are dedicated to fostering a healthy and inclusive workplace culture. Our team member survey is an important tool that helps us gauge employee sentiment relating to inclusion, belonging and empowerment. The survey results demonstrate that Herc Rentals is viewed favorably by our team members.

### Employee Resource Groups

To date, we have launched two high-impact employee resource groups dedicated to fostering a culture of inclusivity and supporting the unique needs of diverse employee populations. Our Women in Action Resource Group serves all female employees, and our Veterans Resource Group is dedicated to supporting our employees who have served in the military at some point in their career or remain in the National Guard or Reserves.

### Women in Action Resource Group

Our Women in Action Resource Group is led by a Steering Council of female leaders from across the Company. All female employees are formally invited to join the group during their onboarding process and can benefit from a robust program designed to welcome, develop and retain female team members while highlighting their contributions to the business and communities where we operate.

Women in Action offers quarterly programming to support female employees in their growth and development through networking and cross-functional learning. A combination of in-person and virtual events are hosted each year, covering topics such as driving operational excellence and expanding knowledge of specific products and specialty services. Some events focus specifically on helping women feel confident in their roles in the rental industry and others feature the accomplishments of women recognized by the

Company for their dedication to mentorship and helping other women succeed. In addition, the group recognizes female team members who exceed expectations in advancing the business or mentoring their colleagues through annual awards.

In 2023, we launched a Peer Partner program that matches new female hires with a more tenured female team member during the first six weeks of onboarding to acclimate and welcome them to Herc Rentals. The program aims to help new female employees immediately connect with another woman who can help them navigate our industry and develop a sense of belonging at our Company. In addition, our formal mentorship program supports mentors and mentees across our corporate and field operations by facilitating professional relationships to grow and prosper at Herc Rentals. Mentors meet with mentees bi-weekly throughout the year to discuss career development and personal growth.



*"Coming into this industry without any prior knowledge was daunting. Being mentored by other strong, smart and kind women has been such a valuable resource. I have learned so much about this company, our equipment and myself through my mentor."*

— Women in Action, Mentee

### Veterans Resource Group

Our veteran team members make remarkable contributions to their countries and provide unique skills and experiences that contribute to our success at Herc Rentals. We are proud to hire and support military veterans and those actively serving in the National Guard or Reserves in advancing their careers. We aim to be the preferred employer for veterans pursuing rewarding careers in the equipment rental sector and are constantly seeking ways to connect with and hire from this population. Veterans and service members make up 9% of our workforce, at the end of 2023.

Our Veterans Resource Group (VRG) is open to all affiliated military members and is dedicated to creating a supportive and inclusive environment where members can thrive and succeed in their professional pursuits. Specifically, the VRG cultivates a strong sense of community for networking and mentoring and encourages veterans and military members to grow their careers. Our Talent Acquisition team is responsible for developing and hosting programs for our VRG. We maintain a curated resource page that provides a centralized hub for the group.



*“My foundational knowledge of mechanics and electrical work applies to everything I do at Herc Rentals. Beyond that, the people and customer skills all tie together.”*

— U.S. Air Force Veteran and Field Service Mechanic

### Department of Defense SkillBridge Program

In 2023, we underwent an extensive application process and were authorized by the U.S. Department of Defense (DOD) as a preferred employer partner for the SkillBridge program. The SkillBridge program provides service members opportunities to gain civilian job skills through industry training, internships and mentorship during the final 180 days of their military service. We intend to utilize the SkillBridge program as a talent pipeline for various job roles including mechanics, drivers and



sales associates. Through this partnership, we hope to positively impact the lives of service members and their families by providing them with the resources and support they need to succeed in the civilian workforce. We offer our SkillBridge participants on-the-job training, professional development opportunities and career experience. We are honored to be a part of their career journey and hope they choose to join Herc Rentals for the long term after finishing the program.

### Employee Recognition

At Herc Rentals, we recognize and reward employees who demonstrate exceptional performance, customer service, teamwork, innovation and leadership. Our Spotlight Awards program allows employees to nominate their peers, managers or direct reports to be publicly recognized for their contributions to our values of doing what’s right — together, responsibly, while achieving results. Spotlight Award winners are presented with their certificate of recognition and a token of appreciation. In 2023, 881 team members earned Spotlight Awards, which means 12% of our employee population earned this distinction for their efforts.

We value the wisdom and experience that tenure brings us as an organization. Our Service Award Program celebrates employees each time they reach a milestone relating to years of service to Herc Rentals. We take time to recognize employees for their years of service in team huddles and internal communications along with acknowledgement through our formal recognition system.

### 2023 Employee Tenure Highlights

**5.5** years average employee tenure

**16%** of team members have been with Herc Rentals for over 10 years

**225** years of combined experience among our region vice presidents

## Community Engagement

**A**t Herc Rentals, our purpose is to equip our customers and communities to build a brighter future. To support communities, we engage our employees in volunteer opportunities and build relationships with nonprofit partners that align with our social impact vision.



### How We Made a Difference in 2023

Launched Volunteer Time Off benefit, providing eligible employees with 8 hours of paid time to serve their communities

Enabled 2,400 hours of service via Volunteer Time Off

Team-based employee volunteer activities with a focus on building with Habitat for Humanity and environmental cleanups

Donated \$660,000 to nonprofit organizations

Funded 63 scholarships in communities surrounding our headquarters, which we refer to as our Field Support Center, providing students with educational opportunities that make them more likely to pursue post-secondary education<sup>17</sup>

## Our Social Impact Pillars

In early 2024, we launched our Building Brighter Futures initiative to support our team in growing our collective impact across communities. To focus our efforts, we established three Social Impact Pillars to serve as our North Star, guiding our volunteerism and charitable giving as a company:



### Safe & Resilient Communities:

Builds upon our company's safety mission, while harnessing our unique ability to contribute to community infrastructure that broadly improves quality of life – such as affordable housing, safe transportation ways, and programs that help communities affected by natural disasters.



### Education & Skill Building:

Amplifies our vision to be the employer of choice in our industry. Specifically, this pillar focuses on addressing industry challenges, such as the shortage of skilled tradespeople, while improving career pathways to Herc Rentals for all candidates—especially women and veterans.



### Environmental Stewardship:

Complements our core values and strategic efforts to minimize our environmental footprint. This pillar expands environmental initiatives beyond our organizational boundary to include community projects dedicated to helping the environment for current and future generations.





**Celebrating Earth Month**

Throughout April 2024, Herc Rentals team members volunteered across North America to celebrate Earth Month. We worked together contributing over 530 volunteer hours to environmental nonprofits. In partnership with these nonprofits, our efforts demonstrate commitment to environmental stewardship and building brighter futures in our communities. Together, we planted nearly 6,000 trees and native plants. We also removed over 500 pounds of litter and a dozen invasive species to improve the health of various ecosystems.

**Elevating Veterans**

Herc Rentals hosted aerial and forklift training sessions for over 25 veterans from the community in Atlanta, GA and Astoria, NY. We provided this training free of charge as a component of our veteran outreach efforts and commitment to assisting veterans in gaining workforce skills in our industry.

**Herc C3 Committee**

We have a cross-functional committee dedicated to creating community, culture and connections— or "C3" — for our employees at headquarters, which we refer to as our Field Support Center, and beyond. The Herc C3 Committee organizes and facilitates many initiatives including opportunities for employees to give back to their communities. In 2023, the Committee arranged various activities to support our local communities such as holiday food and toy drives.

## Fair and Equitable Labor Practices

Inclusivity and respect are foundational to our interactions with team members, customers, vendors, suppliers and other third parties. We are dedicated to creating a safe work environment that treats all people fairly.

### Non-Discrimination and Non-Harassment

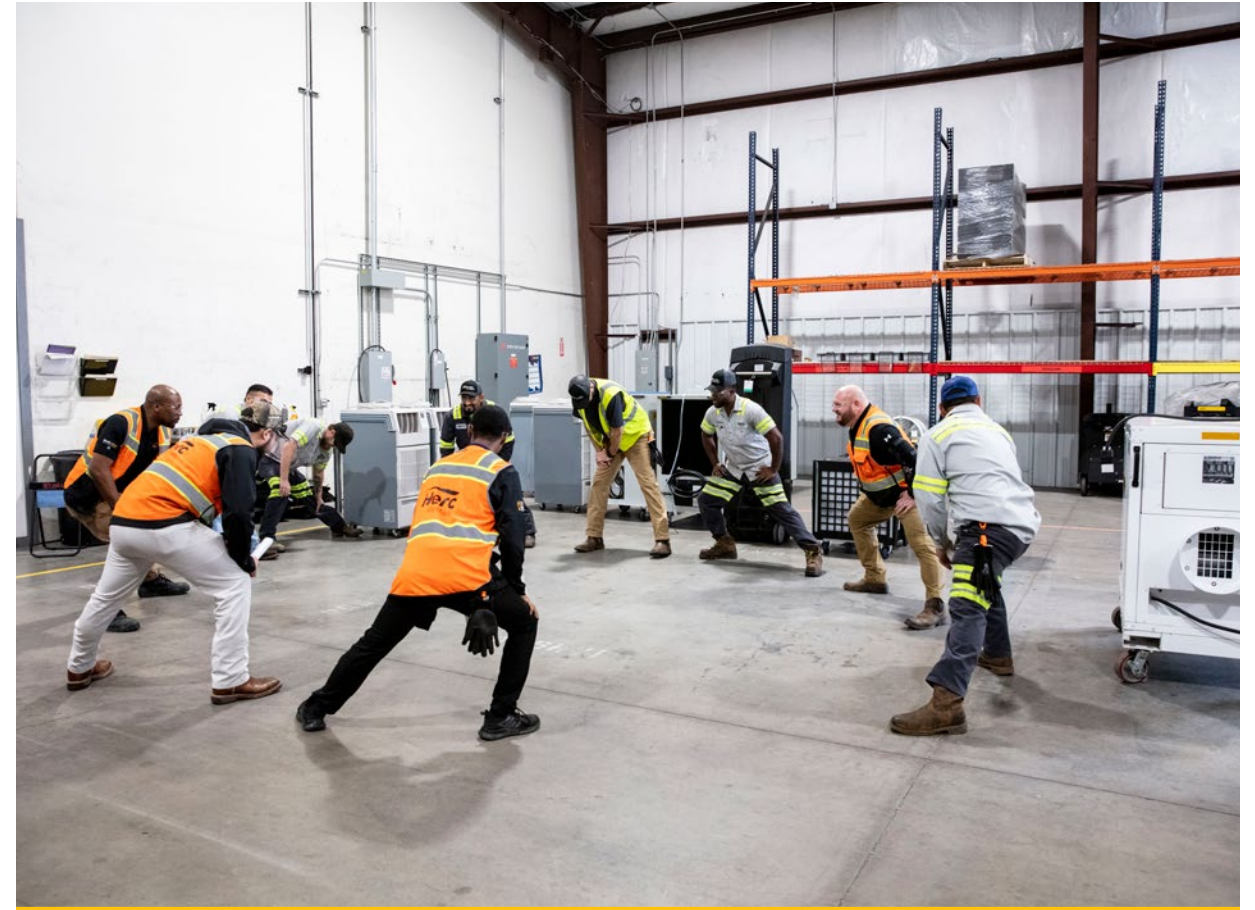
Herc Rentals celebrates diversity in our workforce and business partners and provides equal opportunities to all applicants and team members. We are committed to ensuring that all our employees are treated equally, and we do not tolerate discrimination or harassment based on race, color, religion or religious creed, gender, gender identity or expression, sexual orientation, marital status, 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, co-workers, vendors and suppliers.

### 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.

### 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.





# Environmental Stewardship



Advancing Our Environmental Action Plan

Greenhouse Gas Emissions and Climate

Fuel-Efficient Fleet

Waste

Water




Environmental Compliance

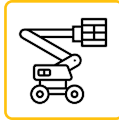












**W**e aspire to be the supplier, employer and investment of choice in our industry while upholding sound environmental practices. We are dedicated to minimizing the environmental footprint of our business—integrating policies and practices across core operations to achieve results. The energy efficiency of our rental equipment, corporate vehicles and branches benefits our customers and contributes to our environmental performance. We continually invest in the latest technology and fuel-efficient options to help customers meet their environmental goals while decreasing the environmental intensity of our operations.

## Advancing Our Environmental Action Plan

In our previous report, we shared our short-, mid- and long-term action plan to drive ongoing progress for environmental stewardship.

This diagram illustrates our refreshed plan and progress toward short-term initiatives.

-  Assess
-  Progress
-  Complete

	Short-term initiatives (2019 – 2024)	Status	Mid-term initiatives (2025 – 2028)	Long-term initiatives (2029 – 2035)
 <b>Fleet</b>	Assess feasibility of sourcing electric/hybrid equipment rental and non-rental fleet		Develop long-term plan for sourcing energy-efficient, low- and zero-emissions equipment options in our equipment rental and non-rental fleets	Acquire new energy-efficient fleet models and implement alternative fuel plans
	Pilot EV vehicles		Evaluate alternative fuel use for non-rental fleet including expansion of renewable diesel	
 <b>Facilities and Operations</b>	Review energy, waste and water footprint		Develop energy, waste and water reduction tactics	Implement energy, waste and water reduction tactics; the latter prioritizes stewardship in water-stressed zones
	Upgrade facility lighting (LED)		Continue upgrading facility lighting (LED)	
	Evaluate renewable energy sourcing from utilities including solar Power Purchase Agreement (PPA) options		Develop long-term plan for renewable energy sourcing, including renewable energy credits	Implement long-term renewable energy sourcing plan
 <b>Disclosures and Customer Support</b>	Leverage new sustainability management platform to standardize metrics tracking		Reaffirm/update long-term ambitions and goals	Develop partnerships to tackle value chain GHG emissions reductions
	Obtain assurance over Scope 1 and 2 GHG emissions*			
	Enhance capabilities of Scope 3 GHG emissions accounting		Disclose all relevant Scope 3 GHG categories in accordance with regulatory mandates	Assure Scope 3 GHG emissions*
	Bolster CDP and Task Force on Climate-Related Disclosures (TCFD) alignment and monitor emerging sustainability reporting requirements		Prepare for emerging sustainability standards such as International Sustainability Standards Board (ISSB) and reporting requirements	Evolve disclosures to meet new sustainability reporting requirements
	Monitor customer and supplier net-zero requirements		Develop a methodology for tracking customer GHG emissions**	Deepen partnerships with customers and suppliers to reduce environmental impacts

\* Limited assurance by an independent accountant.

\*\* Methodology related to our equipment rental fleet while in the customers' operational control.

## Greenhouse Gas Emissions and Climate

Appropriately managing climate risks and opportunities is important to us and our stakeholders. We believe it is essential to accurately measure our greenhouse gas (GHG) emissions and ensure strong governance for climate-related targets. In 2023, we sharpened our focus on these fundamentals. As a result, we obtained third-party limited assurance of our Scope 1 and 2 emissions for the first time and continue to expand and improve our Scope 3 reporting. Both efforts were supported by our investment in a sustainability management platform, which we implemented and launched in 2023. Additionally, we continue to maintain and enhance the steadfast oversight of climate-related matters from the Board and management. More details are available in the Board and Management Oversight section of this report, its Data Supplement and our Task Force on Climate-Related Financial Disclosures Index. In this section, we illustrate the components of our carbon footprint, share our success in reducing GHG emissions intensity<sup>5</sup> and showcase key decarbonization initiatives.

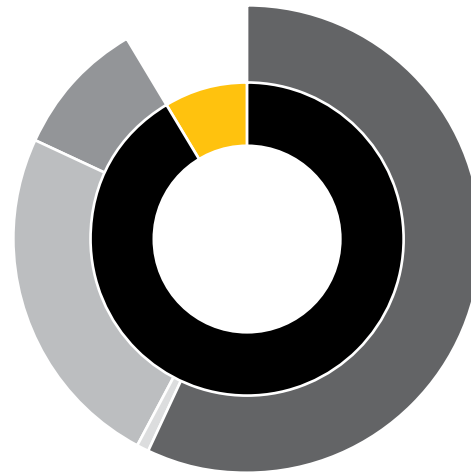
### Scope 1 and 2 Emissions

Our Scope 1 and 2 GHG emissions are primarily driven by mobile combustion of diesel and gasoline in our corporate-owned and operated delivery, service and sales vehicles. The remainder of our Scope 1 and 2 footprint comes from stationary combustion of natural gas as well as electricity usage at our branches.

We remain dedicated to efficient growth and have focused our efforts on meeting our 2030 goal of reducing our Scope 1 and 2 GHG emissions intensity per million dollars in revenue by 25% since our 2019

### Scope 1 and 2 GHG Emissions and Scope 1 Fuel Mix

As Percentage of Carbon Dioxide Equivalent



baseline. We are pleased to share we have exceeded that goal by 100 basis points in 2023. Our accelerated achievement of this goal demonstrates our unwavering commitment to investments in systems and resources that have enhanced our ability to execute the climate components of the environmental action plan. We are proud of this accomplishment but know we still have important work ahead of us. We will evaluate developing an updated Scope 1 and 2 GHG emissions intensity<sup>5</sup> goal to foster continuous improvement in alignment with common industry practice for this topic.

As expected with our accelerated growth trajectory of 14% compounded annual rental revenue growth between 2019 and 2023, our absolute Scope 1 and 2 emissions increased as well. We understand that

#### Inner Ring:

- Scope 1 **91.5%**
- Scope 2 **8.5%**

#### Outer Ring:

- Diesel **61.4%**
- Renewable Diesel **1.2%**
- Gasoline **28.4%**
- Natural Gas **9.0%**

stakeholders want to see businesses reduce their overall emissions; however, in a period of rapid growth, that is not always feasible. Nevertheless, we are dedicated to expanding our operations in an efficient and responsible way. For example, in 2023, our branch count increased by 12% compared to the previous year through acquisitions and new branch expansions, yet our direct and indirect emissions only grew by 10%. This demonstrates our ability to expand our business and contribute to economic development while being mindful of our emissions.

### Actions Taken Since 2019 to Exceed Our 2030 GHG Emissions Intensity<sup>5</sup> Goal:

Performing regular preventative maintenance of our rental and non-rental fleet

Upgrading facility lighting to LEDs on a continual basis

Maintaining facility HVAC systems for optimal efficiency

Leveraging technology to help our drivers reduce braking speed and idling time

Piloting electric Ford F-150 lightning trucks

### Meeting Our 2030 GHG Emissions Intensity Reduction Goal



Decrease in Scope 1 and 2 (from 2019 base year)<sup>5</sup>

### YoY GHG Emissions Intensity Reductions:

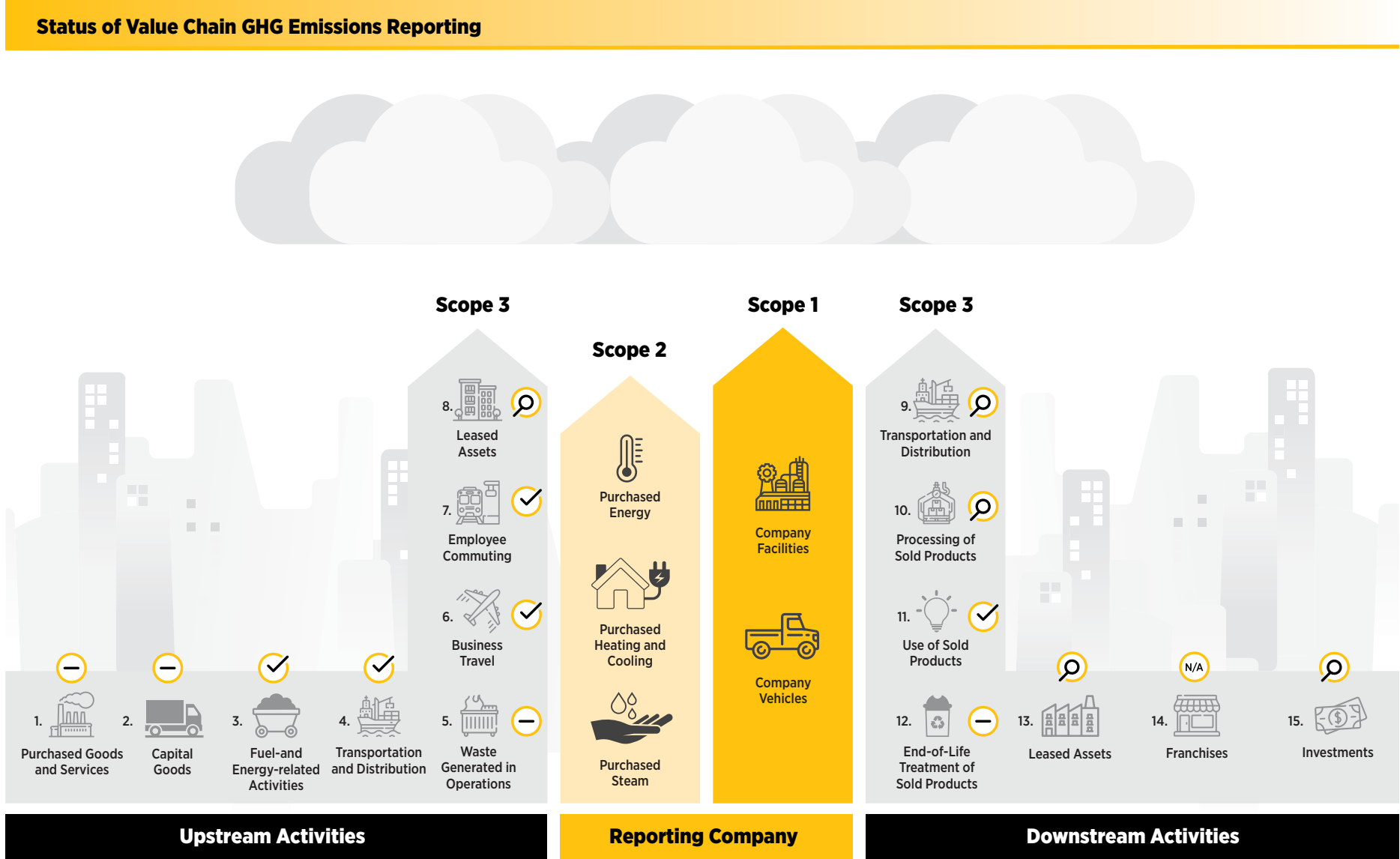
- ✓ **6%** Diesel and Gasoline
- ✓ **14%** Electricity
- ✓ **18%** Natural Gas

### Scope 3 Emissions

Scope 3 emissions are indirect emissions upstream and downstream in our value chain. We continue to improve and expand our ability to measure and report our Scope 3 emissions. Our Scope 3 emissions figures are based on assumptions and estimates. We anticipate our methodologies will evolve over the next few reporting cycles as we further integrate the sustainability management platform we launched in 2023. The Data Supplement accompanying this report shares estimated emissions values for five relevant categories — up from three categories in our previous report. We are reporting Fuel and Energy-Related Activities (FERA) and Employee Commuting categories for the first time.

We will continue to map relevant categories and create reliable and comprehensive methods for measuring and calculating Scope 3 emissions consistently over time. As we develop a full account of our Scope 3 emissions, we will assess the areas of highest impact and consider setting specific reduction goals in partnership with key value chain partners such as original equipment manufacturers and customers.

-  **Reported**
-  **Relevant — Not Reported**
-  **Evaluating Relevance**
-  **Not Applicable**



Source: Modified from Figure 1.1 in the GHG Protocol *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (published September 2011) to illustrate the current state of our Scope 3 reporting.



## Fuel-Efficient Fleet

**H**erc Rentals is committed to responsible business practices that help reduce emissions and improve job site efficiencies. As a leading player in the rental industry, we strive to contribute to a more sustainable future by delivering energy-efficient fleet and providing expert advice and technology that saves time and fuel. We actively seek ways to support our customers' decarbonization goals with reliable and efficient rental options that meet the unique needs of each job site. We are focused on reducing greenhouse gas emissions within our organization, and we offer innovative technology to help our customers manage their fleets efficiently and choose low- and zero-emissions rental equipment.

### Owned Fleet

Within our operational footprint, the service and delivery of vehicles assigned to employees contribute to the majority of our Scope 1 and 2 emissions and we are continually exploring ways to utilize more fuel-efficient options. We are also focused on implementing strategies to encourage safe and fuel-efficient driving habits for our drivers. All vehicles added to our delivery fleet since 2021 are equipped with technology that turns off the engine when idling and limits driver speed. We remain committed to investing in the most fuel-efficient models and exploring hybrid and electric options where feasible. We continue to investigate alternative fuel options including electric vehicle possibilities.

### Rental Equipment Fleet

We are proud to help our customers decrease the burdens of fleet ownership while offering them enhanced flexibility and access to new, well-maintained equipment. We hold our fleet for optimal periods to support our total cost of ownership models while offering customers access to energy-efficient choices.

As shared in our 2023 Corporate Citizenship Report, we anticipate that 41% of our equipment rental fleet will be electric or hybrid by 2027. This estimation was driven by our five-year fleet forecast completed in 2022, and we remain on track. We also aspire to have more than 100,000 pieces of equipment connected to telematics by the end of 2025. Telematics-enabled fleet provides a host of benefits such as minimizing downtime, optimizing equipment utilization and allowing for custom alerts and notifications.

Our ProControl® NextGen™ platform connects customers with key insights to support their goals and includes state-of-the-art features. Some of these features are available across all connected equipment while others are tailored to specific equipment needs. We continue to invest in improved features to help customers easily select equipment with energy-efficient and environmental attributes to support them in meeting their sustainability objectives.

### 2023 Rental Equipment Fleet Key Facts:

**45** months — Average age

**38%** electric or hybrid by count<sup>3</sup>

**16%** electric or hybrid by original equipment cost<sup>3</sup>

**100%** of light towers purchased since 2022 are LED



### Electric Rental Equipment: Benefits and Challenges

Electric equipment provides several benefits to customers: it can reduce greenhouse gas emissions, improve job site air quality, automate workflows, enhance operator comfort, provide better torque and offer fuel savings. These benefits can lead to a competitive total cost of ownership and improved health and safety. As a prerequisite to powering sites with electric equipment, appropriate makes and models need to be economically viable and able to perform a full day's worth of work similar to existing equipment solutions.

At Herc Rentals, we are dedicated to staying up to date with the latest trends and innovations to promote sustainable solutions across our value chain. Our sales team keeps a continual pulse on the needs of our customers while our fleet operations team stays in close contact with original equipment manufacturers so we can effectively

deploy best-in-class solutions. In 2023, we went a step further by sending a survey to original equipment manufacturers to better understand current and future developments in electrification and to inform our rental equipment fleet planning. We discovered that aerial and climate control equipment categories currently offer the largest opportunity to electrify rental equipment and we expect this to continue in the coming years. We also anticipate an increase in opportunities to electrify a broader range of equipment categories, including trucks, earthmoving equipment, material handlers, contractor and industrial equipment, floor care and surface preparation.

## Waste

We look for ways to reduce waste generation through education and continuous improvement, and track recycling services across our operations. In 2023, our recycled waste tonnage increased by 21%. This outpaces total waste generation tonnage, which increased by 15% during the same timeframe. This indicates efficient stewardship of our waste streams as we grow our operations.

We are committed to reducing our non-hazardous waste to landfill intensity<sup>6</sup> by 25% by 2030 from our 2019 base year. We have nearly reached this goal and anticipate exceeding it by the end of 2024. Our progress has been driven by waste minimization and enhancing recycling efforts at our facilities. We will assess how we can continue minimizing waste and plan to establish new goals to motivate ongoing progress.

### Electronic and Universal Waste Management

Electronic waste (e-waste) makes up less than 0.01%<sup>18</sup> of our business waste. Nonetheless, we understand the importance of managing this waste stream conscientiously. We partner with specialized waste service providers that repurpose or recycle our e-waste and universal waste, including mobile devices, electronics, printer cartridges and fluorescent bulbs. Reclaiming materials from these waste streams minimizes environmental risk and reduces upstream social and environmental costs in sourcing raw materials such as valuable minerals used in electronics.

### Composition of 2023 Diverted Waste Streams<sup>19</sup>

We aim to divert as much waste from landfills as possible. Diverted waste streams include recycling, composting, incineration and waste-to-energy. In 2023, our waste diversion rate was 63%, achieving a 5% improvement from the previous year.



**34.2%**  
Used Oil



**8.5%**  
Compost



**22.3%**  
Mixed Recyclables



**2.6%**  
Paper



**17.6%**  
Dirt



**2.4%**  
Cardboard



**10.1%**  
Metals



**2.2%**  
Other Industrials

### Efforts to Increase Waste Diversion Rates

#### Waste Reduction:

Using paperless options for customer contracts and internal processes

Reducing printing by optimizing the rental agreement process— one procedural change alone eliminated four sheets of paper per piece of equipment rented

Exceeding regulatory requirements for spill-prevention measures through our operating model

Replacing hazardous solvents with aqueous alternatives, minimizing hazardous waste generation and simplifying downstream treatment processes

#### Recycling:

**Cardboard and mixed recyclables:**  
Establishing recycling services when opening new branches or completing an acquisition<sup>20</sup>

**Used Oils:**  
Partnering with a closed-loop service provider that collected and re-refined nearly 300,000 gallons of our used oil, of which we repurchased 4% for reuse

**Hazardous Waste<sup>21</sup>:**  
Comprising less than 0.2% of total waste, of which nearly 52% was recycled and the remainder incinerated



## Water

**W**e believe it is important to steward water resources responsibly. While equipment rental is not considered a water-intensive industry, we strive to minimize water consumption and ensure safe water treatment across our operations. We are developing strategies to minimize water consumption, particularly in water-scarce regions where we operate.

As our operational footprint continues to grow, so does our absolute water consumption. We remain committed to efficient growth and continue to decrease our water intensity, which measures gallons of water used per million dollars in revenue. Our ongoing success on shrinking our water intensity has been driven by our continued expansion of water reclamation systems and proactive monitoring of water usage. Water reclamation systems collect spent water from our equipment wash bays, remove solids and recirculate the treated water in a closed-loop for reuse. With the increasing concern of water scarcity, we intend to expand water reclamation systems, giving priority to water-stressed regions in which we operate, while adhering to local regulations.

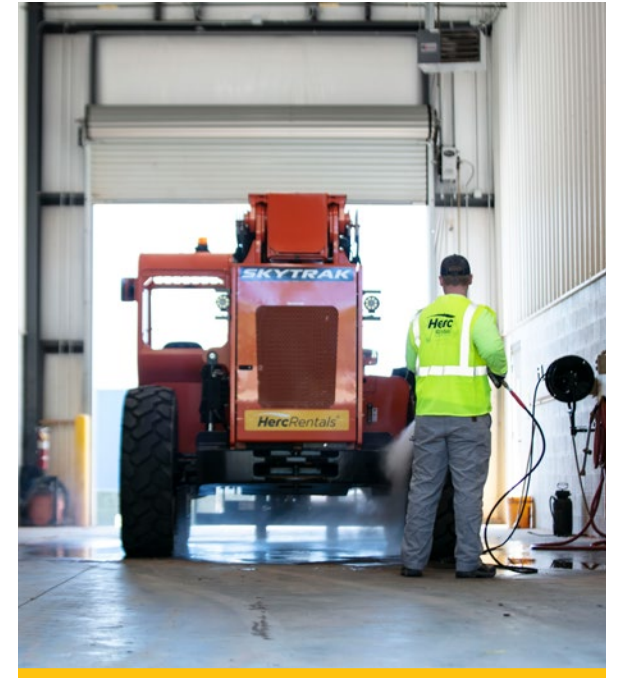
### 2023 Water Stewardship Highlights:

**264** megaliters of absolute water consumption

**5%** reduction in water intensity<sup>22</sup> from the previous year

**18%** improvement in water intensity<sup>22</sup> since we began tracking this metric in 2019

**28%** of branches with wash bays in high or extremely high water-stressed zones are equipped with water reclamation systems<sup>4</sup>





## Environmental Compliance

**H**erc Rentals is dedicated to minimizing the environmental impact of our operations by implementing programs that include sound environmental practices. Our environmental policies and procedures are designed to guide our team members in complying with local, state and federal regulations.

Specifically, our [Environmental Management Policy](#) outlines our responsibilities including:

**Following pollution prevention measures;**

**Upholding environmental best management practices;**

**Handling, storing and disposing of hazardous substances;**

**Training employees working with petroleum storage tanks; and**

**Developing and maintaining appropriate emergency and spill response programs.**

This policy and accompanying procedures are reviewed annually by the Environmental Programs Manager and approved by the Chief Operating Officer. Our procedures cover a variety of topics such as conducting regular inspections of fuel storage tanks, dispensers and safety monitoring devices.

In conjunction with our policies and procedures, our Environmental Management System (EMS) supports environmental compliance by enabling our team members to track and manage incidents. Our EMS is designed to minimize the frequency, impact and severity of environmental incidents. It also supports training, risk prevention and management of incident response. In the course of incident response, we collaborate with certified crews to minimize and report any impacts in accordance with federal, state and local regulations.



# Governance and Policies



Sustainability Oversight and Board Diversity

Enterprise Risk Management

Data Privacy and Cybersecurity

Code of Ethics

Anti-Corruption

Human Rights and Anti-Modern Slavery

Responsible Sourcing

Approach to Tax

**W**e are committed to conducting our business in a responsible and ethical manner, respecting the environment and the communities where we operate. Our governance structure, policies and risk management practices are essential to our long-term success and ongoing ability to create value for customers and business partners.



## Sustainability Oversight and Board Diversity

Our Board of Directors (the "Board") and senior management oversee our sustainability performance and strategy. Our Nominating and Governance Committee considers each prospective nominee's diversity in perspectives, personal and professional experiences and background and ability when assessing director nominees. The Board meets regularly as described in our [2024 Proxy Statement](#).

### Board and Management Oversight

The Board's Nominating and Governance Committee has primary oversight of sustainability, reviewing sustainability strategies, initiatives, policies and public reports. Additionally, the Board's Compensation Committee annually sets specific sustainability Management Business Objectives (MBOs), which are part of our executive annual incentive compensation, and typically focus on incremental gains needed to meet our 2030 Sustainability Goals. The Compensation Committee also oversees matters relating to human capital management such as succession planning and talent management.

This includes reviewing our programs, policies and initiatives related to employee relations, engagement

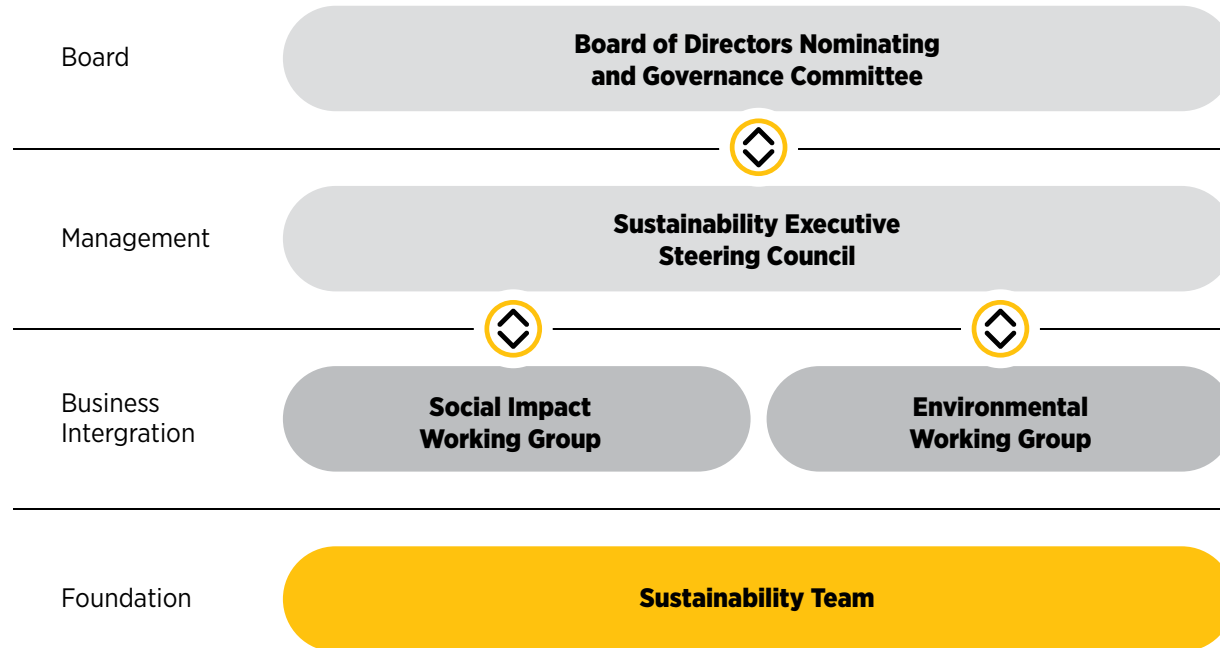
and culture, and equal employment opportunity. The Board's Audit Committee oversees Enterprise Risk Management (ERM), inclusive of environmental, social and governance risks, as well as financial disclosures, with sustainability subject matter included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Senior management and the Audit Committee review Internal Audit's annual safety audit report. The full Board oversees cyber risk management. Our Board's engagement is an important part of responsibly managing impacts, opportunities and risks across diverse sustainability topics.

In 2023, we evaluated management's sustainability oversight structure and determined necessary

adaptations to drive continuous improvement. As a result, the Environmental, Social and Governance Task Force was replaced with a Sustainability Executive Steering Council, supported by two Working Groups. The new Council is comprised of select C-suite members responsible for ensuring that business units are accountable for sustainability priorities and achieve results. The two Working Groups report to the Council for specific sustainability topics not otherwise under the purview of other councils or committees overseen by senior leadership. These newly established Working Groups

focus on environmental and social impact initiatives. Specifically, the Environmental Working Group is tasked with improving enterprise-wide environmental performance as well as guiding climate-related disclosures, strategy and opportunities. The Social Impact Working Group supports the strategic development of employee volunteerism and corporate philanthropy. Outside the Council and its Working Groups, the Sustainability team is appropriately represented in cross-functional groups overseeing material sustainability topics such as safety.

### Sustainability Oversight



### Board Diversity

The [Corporate Governance Guidelines](#) and the Nominating and Governance Committee charter identify some factors, including diversity, that the Nominating and Governance Committee will consider when evaluating directors. The Nominating and Governance Committee interprets diversity broadly to mean a variety of opinions, perspectives, personal and professional experiences and backgrounds, such as international and multicultural experience and understanding, as well as other differentiating characteristics, including gender, ethnicity and race. We believe that our Board's current diverse mix provides an array of backgrounds, perspectives and expertise necessary to effectively make decisions affecting Herc Rentals and its stakeholders.

### 2024 Board Diversity

As of Annual Shareholder Meeting



#### By Gender, Race/Ethnicity

● Women or People of Color  
**50%**



#### By Age

● Between 30-50 Years Old  
**13%**  
● Over 50 Years Old  
**88%**

Figures do not equal 100% due to rounding.

## Enterprise Risk Management

Herc Rentals places great importance on managing risk effectively. To achieve this, we have developed a rigorous approach to our Enterprise Risk Management (ERM) program, working across the business to evaluate, prioritize and manage risks. To make informed decisions, we analyze risks at the business unit and enterprise levels, taking into account the probability and potential impact of each risk. These analyses help shape our risk management approach, enable us to understand the challenges potential risks pose, and to respond accordingly.

We look at risks in various categories, including environmental, social and governance topics like human capital management, safety, climate and cybersecurity. We consider interdependencies and combined effects across risks, as well as the opportunities and best practices that can help us enhance our risk management capabilities. This includes assigning "risk owners" to monitor risks broadly as we are committed to integrating ERM into our decision-making processes and fostering a culture of risk awareness and accountability across the organization. "Risk owners" support our ERM processes by monitoring the nature and scope of risks under their purview, articulating risk exposure and developing plans of action to mitigate or lessen the impacts of the risk.

Each quarter, our ERM Committee prioritizes the risks facing the organization based on its review of potential risks to our operations and financial results. The ERM Committee reports on its findings and recommendations to the Board's Audit Committee annually. More details on how we oversee risks associated with environmental, social and governance topics are found in our [2024 Proxy Statement](#), "Item 1A: Risk Factors" of our 2023 Annual Report on Form 10-K and the "Board and Management Oversight" section of this report. Additionally, this report's appendix includes information following the recommendations of the Task Force on Climate-Related Financial Disclosures, including our approach to managing climate risks and opportunities.



## Data Privacy and Cybersecurity

At Herc Rentals, we understand the importance of data privacy and cybersecurity. We recognize that our customers, employees and stakeholders entrust us with their personal and business information, and we take that responsibility very seriously. We believe that safeguarding the confidentiality and integrity of this information is not only our responsibility, but also critical to our success. We provide regular training and awareness programs to our employees on data privacy and security. In addition, we monitor and audit compliance with our related policies, processes, procedures and standards.

### Privacy Policy

We collect information for various purposes such as responding to requests, enhancing our products and services, conducting analytical research and supporting our business operations. Our [Privacy Policy](#) transparently outlines the principles and practices that guide our collection, use and disclosure of personal information, as well as the rights and choices of individuals regarding their data. It also illustrates the proactive steps we take to protect the information we collect through data security and retention measures.

## Cybersecurity

We recognize that cybersecurity is a dynamic and evolving risk that requires ongoing vigilance and adaptation. Our cybersecurity program aligns with the National Institute of Standards and Technology (NIST)'s cybersecurity framework. It is designed to protect our information systems and assets from unauthorized access, use, disclosure, modification or destruction, and to ensure the continuity and resilience of our operations. We employ a multi-layered defense strategy that includes advanced technologies. Our systems and controls undergo regular testing and assessment, and we actively collaborate with external experts, partners and industry peers to share best practices and enhance our capabilities.

We have a defined set of information security policies and standards, which apply to the use of information, information systems, electronic and computing devices, applications, and network resources used to conduct business within Herc Rentals. These policies and standards cover employees, contractors, consultants, temporary and other workers at Herc Rentals, including personnel affiliated with third parties.

Our cybersecurity team is responsible for building security capabilities, developing employees' security awareness and protecting the business through a holistic approach. This includes enforcing security rules and policies, providing security guidance and risk mitigation strategies, and acting as the main authority for our information security.

Employees complete mandatory cybersecurity training annually and regular phishing tests are conducted for anyone with a Herc Rentals email address. In addition, virus and malware scans



are conducted on all systems using industry-leading tools.

On an annual basis, the Cybersecurity team and senior management conduct tabletop exercises as part of our risk mitigation initiatives to prepare for potential cybersecurity events. In addition, we have a cybersecurity expert on our Board who meets regularly with the company's senior information technology leadership.

Herc Rentals takes ongoing steps to protect the privacy of our customers and employees and 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.

## Code of Ethics

Operating with the highest standards of ethics and integrity is a defining feature of our culture and a reflection of who we are as a Company.

The Herc Rentals Code of Ethics communicates our vision, mission, values and guiding principles and outlines the expectations and responsibilities of employees regarding ethical conduct, compliance and communication. All employees must complete Code of Ethics training upon hire and review and acknowledge our Code of Ethics annually and abide by Company rules and policies to avoid undesirable consequences such as disciplinary action. Our Code of Ethics covers a range of topics that employees must be aware of and strictly adhere to, such as safety, diversity, respect, confidentiality, conflicts of interest, insider trading, records management, anti-bribery, antitrust, public statements, gifts and entertainment and environmental sustainability.

### See Something, Say Something

It is our duty to enable individuals to raise concerns about our Company's business conduct and we provide several channels to do so, including reporting to local management, senior management, Human Resources, the Legal Department or the Compliance Department. Our employees have a responsibility to speak up regarding any potential violations of law or policy. Employees can also raise concerns or report potential violations through our Company Helpline and our employee 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. We have a zero-

tolerance policy regarding retaliation. No employee who acts in good faith will face retaliation for reporting a concern or potential violation of law or Company policy.



## Anti-Corruption

Doing the right thing is one of our core values and acting with integrity is critical to our success. We compete lawfully and responsibly and have a zero-tolerance policy for bribery, corruption and antitrust violations. We do not give or accept bribes under any circumstances, directly or indirectly, nor do we engage in improper business practices or reach improper agreements (either explicit or implicit) with competitors. We uphold all applicable laws concerning bribery, corruption and antitrust, including the Foreign Corrupt Practices Act and the U.K. Bribery Act. Our employees are trained regularly on these important topics to know how to act and where to report if a competitor or business partner raises an improper subject. Our Legal Department supports the Company in upholding our policy and fostering an ethical culture throughout our business.

## Human Rights and Anti-Modern Slavery

Herc Rentals is committed to respecting, defending and advancing human rights in all aspects of our business and value chain. Our [Human Rights Policy](#) is guided by the Universal Declaration of Human Rights, the International Labour Organization's Declaration of Human Rights and the International Bill of Rights. It applies to all employees and business partners and covers topics such as integrity, ethics, diversity, non-discrimination, non-harassment workplace health and safety, fair working conditions, freedom of association and stakeholder involvement.

We also stand firmly against any violations of human rights and 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.

Herc Rentals provides regular reporting and disclosure of our human rights principles and performance to our Board of Directors, stakeholders and the public. We foster open communication and feedback from employees and provide channels for reporting and investigating any potential violations of our policy.

## Responsible Sourcing

**A**t Herc Rentals, we believe in responsible sourcing and rely on a network of trusted vendors and suppliers who share our values and principles. We hold our supply chain partners to high standards regarding ethical, social and environmental responsibility.

### 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 compliance with all applicable laws and government regulations wherever we operate. This commitment extends to our vendors and suppliers who must adhere to the same standards and principles by which we operate.

Our [Vendor Code of Conduct](#) clearly articulates our expectations for our value chain partners. We require all our vendors and suppliers to adhere to the UN Guiding Principles on Business and Human Rights and international human rights principles, including the Universal Declaration of Human Rights and the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work. We strictly prohibit our vendors and suppliers from using any forms of forced labor, including prison labor, indentured labor, bonded labor, any form of slavery, and any form of human trafficking. We will not support or do business with any third party who knowingly and intentionally is involved in any human rights violations. Additionally, we do not allow vendors and suppliers to hire or contract individuals under 18 years of age for positions that require hazardous work in the production and

fulfillment of Herc Rentals' requested goods and services.

As a federal contractor, we comply with all federal laws and regulations and require our vendors, suppliers, contractors and subcontractors to do the same in the production and fulfillment of our requested goods and services. Our top priority is safety, and we require an active commitment to, and personal accountability for, safety and safety compliance from all employees and contractors. We also expect our supplier and vendor representatives to adhere to all company safety requirements and applicable state and federal safety regulations while visiting our facilities. To support that expectation, our Contractor Safety Guide stipulates specific safety practices and actions that all contractors must follow.



We are committed to minimizing the impact of our equipment rental operations on the environment by implementing programs that incorporate sound environmental policy and best management practices. We operate in accordance with the relevant local, state and federal/national regulations everywhere we operate. We expect all our vendors and suppliers to operate with the same accountability related to sound social and environmental practices. If applicable, we 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.

#### **Conflict Minerals**

At Herc Rentals we do not directly handle raw materials. However, as technology for lower-emissions and electric equipment becomes more pervasive, it is increasingly important to consider risks in our supply chain relating to conflict minerals. We believe that companies complying with conflict minerals disclosure requirements are better positioned to uphold human rights by mitigating human trafficking (or any form of slave, coerced, fraudulent or exploited labor) in their supply chains. We strongly 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 raw materials.

#### **Supplier Engagement**

We aspire to be the supplier of choice in our industry. Toward that end, we choose to work with business partners who share our commitment to our social and environmental responsibility. We are dedicated to enhancing the quality of information we collect on our key suppliers and ensuring that all suppliers comply with our Vendor Code of Conduct and Human Rights Policy.

As stated in our Human Rights Policy, we review 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.

#### **2023 Supplier Engagement Survey**

Suppliers representing 80% of total spend replied to our survey. Key results are illustrated below, and we intend to engage our top suppliers on an ongoing basis to continuously improve the ways we evaluate sustainability risks and opportunities in our value chain.

**100% confirmed they have reviewed and abide by our policies**

**90% reported having conflict minerals policies or that such policies are not applicable to their operations**

#### **Supplier Diversity**

We value and look for ways to improve and promote supplier diversity. During our vendor setup process in the U.S., we ask vendors if they are certified as women, minority or disadvantaged business enterprises (WMDBE) or small businesses. We plan to evaluate methods of automating this tracking and verification process to support our ongoing efforts to improve the vendor onboarding experience and identify opportunities to connect with a larger network of WMDBE and small business suppliers over time.

Additionally, we are committed to the Partnership Accreditation in Indigenous Relations (PAIR), a formal program coordinated by the Canadian Council for Indigenous Businesses. One of PAIR's foundational elements requires companies to support the growth and development of Indigenous businesses. PAIR's criteria also require demonstrating leadership as an employer of First Nation, Inuit and Métis people while fostering strong community relationships. We are more than halfway through the three-year progress required to become fully certified and are honored to be on this journey. To date, we have taken many actions such as partnering with our Indigenous team members to create a formal Indigenous Relations Policy, developing an Indigenous Lands Acknowledgement and launching a cultural awareness training for team members and leadership.

## Approach to Tax

**H**erc Rentals believes in transparency, honesty and integrity in all tax-related matters. Our tax team is responsible for developing our tax strategy and approach to tax preparation. This entails managing tax risk, evaluating available tax incentives and complying with relevant tax laws. We carefully monitor the external tax environment and consider our risk tolerance within the political and economic context where we operate. We do not actively seek to operate in low-tax jurisdictions. Rather, we operate where we are best positioned to serve our customers. According to the applicable tax rules and regulations, we pay taxes on the profits earned in those jurisdictions. We also abide by our policy to pay taxes promptly and accurately.

We follow commonly recognized and accepted interpretations of tax legislation when deciding how to classify a specific transaction or activity, seeking advice from tax authorities and experts as needed. As a capital-intensive industry, we analyze fixed assets to determine the optimal timing and quantity for tax depreciation. Additionally, we thoroughly evaluate tax implications for non-routine transactions, adhere to transfer pricing guidelines and assess tax risks and incentives. For instance, our 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. Additionally, we monitor new and evolving tax laws to determine whether they could have a material impact on the business and to develop any necessary procedures to comply with changing legislation.

### Tax Oversight

Our Board is responsible for overseeing the tax and overall business strategy. Our Chief Tax Officer presents the tax strategy to the Board's Audit Committee annually for formal review and approval. In addition, our Chief Tax Officer updates the Board and management on significant tax issues and potential changes to tax law as matters arise. We foster open lines of communication between management and the tax team to efficiently monitor and manage tax risk.

### Stakeholder Engagement

Our stakeholder engagement efforts emphasize our commitment to operating ethically and being a responsible tax-paying corporate citizen. Our Chief Tax Officer serves on the American Rental Association Tax Committee, which presents our industry's tax position. We are dedicated to establishing open and productive communication with all taxing authorities and work proactively to discuss and resolve any tax-related concerns that may arise. We communicate with tax authorities to obtain approval before engaging in significant transactions when there is uncertainty about the proper tax treatment. This approach aims to reduce the frequency and severity of disagreements with tax officials. When tax audits or inquiries relating to prior events emerge, we provide needed information about the transactions under evaluation and cooperate to resolve any issues. If we discover errors or omissions in tax returns, we promptly notify the proper tax authorities and correct them as appropriate.





# Appendix

Forward-Looking Statements

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GRI Index

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SASB Table

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TCFD Index

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Report Endnotes

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**W**e monitor evolutions in the leading sustainability standards and frameworks and adapt our disclosures to reference those applicable to North American companies in our sector. This report’s appendix maps our environmental, social and governance disclosures to the Global Reporting Initiative (GRI)’s standards, the Sustainability Accounting Standards Board (SASB)’s industry-specific guidance and the recommendations of Task Force on Climate-Related Financial Disclosure (TCFD).

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## Forward-Looking Statements

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 are forward-looking statements including, without limitation, statements regarding Herc Holdings' future business strategy, targets, plans and objectives for future operations. 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 (SEC) from time to time, including our most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q, and 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.

## GRI Index

Our 2024 Corporate Citizenship Report has been prepared referencing [Global Reporting Initiative \(GRI\) 2021 Universal Standards](#).

Disclosure	Indicator	Description	Response/Location
<b>GRI 2: General Disclosures</b>			
<b>The Organization and its Reporting Practices</b>			
	2-1	Organizational details	<a href="#">2023 10-K Cover</a>
	2-2	Entities included in the organization's sustainability reporting	<a href="#">2023 10-K Exhibit 21.1</a>
	2-3	Reporting period, frequency and contact point	2024 Corporate Citizenship Report p. 2
	2-4	Restatements of information	<a href="#">2024 Data Supplement p. 6-10</a>
	2-5	External assurance	<a href="#">2024 Data Supplement p. 11</a>
<b>Activities and Workers</b>			
	2-6	Activities, value chain and other business relationships	2024 Corporate Citizenship Report p. 7 <a href="#">2023 Annual Report p. 4</a> <a href="#">2023 10-K p. 1-5</a>
	2-7	Employees	<a href="#">2024 Data Supplement p. 1</a>
	2-8	Workers who are not employees	<a href="#">2023 10-K p. 6</a>
<b>Governance</b>			
	2-9	Governance structure and composition	<a href="#">2024 Proxy p. 10, 11 and 14</a>
	2-10	Nomination and selection of the highest governance body	<a href="#">2024 Proxy p. 9, 13, 14 and 52</a>
	2-11	Chair of the highest governance body	<a href="#">2024 Proxy p. 9</a>
	2-12	Role of the highest governance body in overseeing the management of impacts	2024 Corporate Citizenship Report p. 39 and 40 <a href="#">2024 Proxy p. 11 and 12</a>
	2-13	Delegation of responsibility for managing impacts	2024 Corporate Citizenship Report p. 39 and 40 <a href="#">2024 Proxy p. 11</a>
	2-14	Role of the highest governance body in sustainability reporting	2024 Corporate Citizenship Report p. 39 and 40 <a href="#">2024 Proxy p. 11</a>
	2-15	Conflicts of interest	<a href="#">2024 Proxy p. 15 and 48</a> <a href="#">Code of Ethics p. 11 and 12</a>
	2-16	Communication of critical concerns	<a href="#">2024 Proxy p. 16</a> <a href="#">Code of Ethics p. 4-6</a>

Disclosure	Indicator	Description	Response/Location
	2-17	Collective knowledge of the highest governance body	<a href="#">2024 Proxy</a> p. 9-13 <a href="#">Herc Rentals Governance Guidelines</a> , see Corporate Governance Guidelines
	2-18	Evaluation for the performance of the highest governance body	<a href="#">2024 Proxy</a> p. 13
	2-19	Remuneration policies	<a href="#">2024 Proxy</a> p. 18-26 and 34 2024 Corporate Citizenship Report p. 39 and 40
	2-20	Process to determine remuneration	<a href="#">2024 Proxy</a> p. 20 and 21
	2-21	Annual total compensation ratio	<a href="#">2024 Proxy</a> p. 40
<b>Strategy, Policies, and Practices</b>			
	2-22	Statement on sustainable development strategy	2024 Corporate Citizenship Report p. 4
	2-23	Policy commitments	<a href="#">Herc Rentals Sustainability, Additional Resources</a> <a href="#">Herc Rentals Governance Documents</a>
	2-24	Embedding policy commitments	<a href="#">Herc Rentals Sustainability, Additional Resources</a> <a href="#">Herc Rentals Governance Documents</a>
	2-25	Process to remediate negative impacts	2024 Corporate Citizenship Report p. 28
	2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Code of Ethics</a> p. 5 <a href="#">Human Rights Policy</a> p. 2
	2-28	Membership associations	2024 Corporate Citizenship Report p. 45 and 58
<b>Stakeholder Engagement</b>			
	2-29	Approach to stakeholder engagement	2024 Corporate Citizenship Report p. 8
	2-30	Collective bargaining agreements	<a href="#">2023 10-K</a> p. 6
<b>GRI 3: Material Topics</b>			
<b>Disclosure on Material Topics</b>			
	3-1	Process to determine material topics	2024 Corporate Citizenship Report p. 8
	3-2	List of material topics	2024 Corporate Citizenship Report p. 8
	3-3	Management of material topics	Information for material topics is provided throughout the 2024 Corporate Citizenship Report.
<b>Economic Performance</b>			
	3-3	Management of material topics: Economic performance	We report economic performance quarterly and annually through public filings utilizing GAAP and non-GAAP reporting metrics. <a href="#">2023 Annual Report</a>
	201-1	Direct economic value generated and distributed	<a href="#">2023 10-K</a> p. 28 and 40

Disclosure	Indicator	Description	Response/Location
	201-2	Financial implications and other risks and opportunities due to climate change	2024 Corporate Citizenship Report p. 57-60 <a href="#">2023 10-K</a> p. 16
	201-3	Defined benefit plan obligations and other retirement plans	<a href="#">2023 10-K</a> p. 64-67
	201-4	Financial assistance received from the government	We recognized \$2.9 million in Solar Investment Tax Credits, \$1.2 million in Research and Development credits, and \$177,000 in Work Opportunity Tax Credits/Empowerment Zone Incentives.
<b>Indirect Economic Impacts</b>			
	3-3	Management of material topics: Indirect economic impacts	We rely on our company policies (Code of Ethics, Vendor Code of Conduct, Environmental Management, etc.) to mitigate, address and manage potential negative indirect impacts.
	203-1	Infrastructure investments and services supported	<a href="#">2023 Annual Report</a> p. 1-4
<b>Procurement Practices</b>			
	3-3	Management of material topics: Procurement practices	2024 Corporate Citizenship Report p. 43 and 44
	204-1	Proportion of spending on local suppliers	This metric is omitted because we are developing new tracking and reporting methodologies.
<b>Anti-corruption</b>			
	3-3	Management of material topics: Anti-corruption	2024 Corporate Citizenship Report p. 43 <a href="#">Code of Ethics</a> p. 14
	205-2	Communication and training about anti-corruption policies and procedures	2024 Corporate Citizenship Report p. 43
	205-3	Confirmed incidents of corruption and actions taken	No reported incidents were confirmed for the years 2019 to 2023.
<b>Anti-Competitive Behavior</b>			
	3-3	Management of material topics: Anti-competitive behavior	2024 Corporate Citizenship Report p. 42 and 43 <a href="#">Code of Ethics</a> p. 15-18
	206-1	Legal action for anti-competitive behavior, antitrust and monopoly practices	No reported legal actions within reporting years 2019 through 2023.
<b>Tax</b>			
	3-3	Management of material topics: Tax	2024 Corporate Citizenship Report p. 45
	207-1	Approach to tax	2024 Corporate Citizenship Report p. 45
	207-2	Tax governance, control and risk management	2024 Corporate Citizenship Report p. 45
	207-3	Stakeholder engagement and management of concerns related to tax	2024 Corporate Citizenship Report p. 45
<b>Energy</b>			
	3-3	Management of material topics: Energy	2024 Corporate Citizenship Report p. 29-34 <a href="#">Environmental Management Policy</a>
	302-1	Energy consumption within the organization	2024 Corporate Citizenship Report p. 31, 33 and 55 <a href="#">2024 Data Supplement</a> p. 6-7

Disclosure	Indicator	Description	Response/Location
	302-2	Energy consumption outside of the organization	2024 Corporate Citizenship Report p. 32 <a href="#">2024 Data Supplement p. 7</a>
	302-3	Energy intensity	2024 Corporate Citizenship Report p. 31 <a href="#">2024 Data Supplement p. 7</a>
	302-4	Reduction of energy consumption	2024 Corporate Citizenship Report p. 30–34 <a href="#">2024 Data Supplement p. 7</a>
<b>Water and Effluents</b>			
	3-3	Management of material topics: Water and effluents	2024 Corporate Citizenship Report p. 36 <a href="#">Environmental Management Policy</a>
	303-1	Interactions with water as a shared resource	2024 Corporate Citizenship Report p. 36
	303-3	Water withdrawal	<a href="#">2024 Data Supplement p. 8</a>
	303-5	Water consumption	2024 Corporate Citizenship Report p. 36 <a href="#">2024 Data Supplement p. 8</a>
<b>Emissions</b>			
	3-3	Management of material topics: Emissions	2024 Corporate Citizenship Report p. 31 and 32
	305-1	Direct (Scope 1) GHG emissions	2024 Corporate Citizenship Report p. 31 <a href="#">2024 Data Supplement p. 6</a>
	305-2	Energy indirect (Scope 2) GHG emissions	2024 Corporate Citizenship Report p. 31 <a href="#">2024 Data Supplement p. 6</a>
	305-3	Other indirect (Scope 3) GHG emissions	2024 Corporate Citizenship Report p. 32 <a href="#">2024 Data Supplement p. 7</a>
	305-4	GHG emissions intensity	2024 Corporate Citizenship Report p. 31 <a href="#">2024 Data Supplement p. 6</a>
	305-5	Reduction of GHG emissions	2024 Corporate Citizenship Report p. 31 <a href="#">2024 Data Supplement p. 6</a>
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	We do not engage in business activities that result in significant air emissions of these compounds within our Scope 1 or 2 GHG reported data.
<b>Waste</b>			
	3-3	Management of material topic: Waste	2024 Corporate Citizenship Report p. 35 <a href="#">Environmental Management Policy</a>
	306-1	Waste generation and significant waste-related impacts	2024 Corporate Citizenship Report p. 35
	306-2	Management of significant waste-related impacts	2024 Corporate Citizenship Report p. 35
	306-3	Waste generated	2024 Corporate Citizenship Report p. 35 <a href="#">2024 Data Supplement p. 7 and 8</a>

Disclosure	Indicator	Description	Response/Location
	306-4	Waste diverted from disposal	2024 Corporate Citizenship Report p. 35 <a href="#">2024 Data Supplement</a> p. 7 and 8
	306-5	Waste directed to disposal	2024 Corporate Citizenship Report p. 35 <a href="#">2024 Data Supplement</a> p. 7 and 8
<b>Supplier Environmental Assessment</b>			
	3-3	Management of material topics: Supplier environmental assessment	2024 Corporate Citizenship Report p. 44 <a href="#">Vendor Code of Conduct</a> <a href="#">Human Rights Policy</a>
	308-1	New suppliers that were screened using environmental criteria	2024 Corporate Citizenship Report p. 44
<b>Employment</b>			
	3-3	Management of material topics: Employment	2024 Corporate Citizenship Report p. 17-22
	401-1	New employee hires and employee turnover	2024 Corporate Citizenship Report p. 17, 18 and 21 <a href="#">2024 Data Supplement</a> p. 2 and 3
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2024 Corporate Citizenship Report p. 22 <a href="#">Employee Benefits</a>
	401-3	Parental leave	2024 Corporate Citizenship Report p. 22 <a href="#">2024 Data Supplement</a> p. 4
<b>Labor/Management Relations</b>			
	3-3	Management of material topics: Labor/management relations	2024 Corporate Citizenship Report p. 17-22 <a href="#">Labor and Workplace Policy</a>
	402-1	Minimum notice periods regarding operational changes	2023 10-K p. 6 The notice period and/or provisions for consultation and negotiation are specified in some but not all collective bargaining agreements. We provide reasonable notice to employees when a significant change may impact them and follow collective bargaining agreements.
<b>Occupational Health and Safety</b>			
	3-3	Management of material topics: Occupational health and safety	2024 Corporate Citizenship Report p. 12-16 <a href="#">Commitment to Safety</a>
	403-1	Occupational health and safety management system	2024 Corporate Citizenship Report p. 13 and 14
	403-2	Hazard identification, risk assessment and incident investigation	2024 Corporate Citizenship Report p. 12-16
	403-3	Occupational health services	2024 Corporate Citizenship Report p. 12-16
	403-4	Worker participation, consultation and communication on occupational health and safety	2024 Corporate Citizenship Report p. 12-16
	403-5	Worker training on occupational health and safety	2024 Corporate Citizenship Report p. 12-16

Disclosure	Indicator	Description	Response/Location
	403-6	Promotion of worker health	2024 Corporate Citizenship Report p. 12-16
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2024 Corporate Citizenship Report p. 12-16
	403-8	Workers covered by an occupational health and safety management system	2024 Corporate Citizenship Report p. 13
	403-9	Work-related injuries	<a href="#">2024 Data Supplement</a> p. 5
	403-10	Work-related ill health	<a href="#">2024 Data Supplement</a> p. 5
<b>Training and Education</b>			
	3-3	Management of material topics: Training and education	2024 Corporate Citizenship Report p. 19 and 20
	404-1	Average hours of training per year per employee	2024 Corporate Citizenship Report p. 19 <a href="#">2024 Data Supplement</a> p. 4
	404-2	Programs for upgrading employee skills and transition assistance programs	2024 Corporate Citizenship Report p. 19, 20 and 22
	404-3	Percentage of employees receiving regular performance and career development reviews	2024 Corporate Citizenship Report p. 18
<b>Diversity and Equal Opportunity</b>			
	3-3	Management of material topics: Diversity and equal opportunity	2024 Corporate Citizenship Report p. 23, 24, 39 and 40
	405-1	Diversity of governance bodies and employees	2024 Corporate Citizenship Report p. 23, 24, 39 and 40 <a href="#">2024 Data Supplement</a> p. 8 <a href="#">2024 Proxy</a> p. 14
<b>Child Labor</b>			
	3-3	Management of material topics: Child labor	2024 Corporate Citizenship Report p. 43 <a href="#">Code of Ethics</a> <a href="#">Human Rights Policy</a>
<b>Forced or Compulsory Labor</b>			
	3-3	Management of material topics: Forced or compulsory labor	2024 Corporate Citizenship Report p. 43 <a href="#">Code of Ethics</a> <a href="#">Human Rights Policy</a>
<b>Rights of Indigenous Peoples</b>			
	3-3	Management of material topics: Rights of Indigenous Peoples	2024 Corporate Citizenship Report p. 44 <a href="#">Indigenous Relations Policy - Canada</a>
<b>Local Communities</b>			
	3-3	Management of material topics: Local communities	2024 Corporate Citizenship Report p. 25-27
	413-1	Operations with local community engagement, impact assessments and development programs	2024 Corporate Citizenship Report p. 25-27

Disclosure	Indicator	Description	Response/Location
<b>Supplier Social Assessment</b>	3-3	Management of material topics: Supplier social assessment	2024 Corporate Citizenship Report p. 43 <a href="#">Vendor Code of Conduct</a> <a href="#">Human Rights Policy</a>
	414-1	New suppliers that were screened using social criteria	2024 Corporate Citizenship Report p. 44
<b>Public Policy</b>	3-3	Management of material topics: Public policy	We participate in professional associations such as the American Rental Association when needed regarding public policy.
	415-1	Political contributions	We do not donate any money, time, goods or services to organizations that have a 501(c) (4) tax-exempt designation or would apply donations to solicit financial support for individuals, political candidates, political campaigns, a political party, a political action committee or a ballot measure committee.
<b>Customer Health and Safety</b>	3-3	Management of material topics: Customer health and safety	2024 Corporate Citizenship Report p. 15 and 16
	416-1	Assessment of the health and safety impacts of product and service categories	2024 Corporate Citizenship Report p. 13
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">2024 Data Supplement</a> p. 5
<b>Marketing and Labeling</b>	3-3	Management of material topics: Marketing and labeling	We monitor and comply with regulations governing environmentally friendly product claims like the U.S. Federal Trade Commission's Green Guides.
<b>Customer Privacy</b>	3-3	Management of material topics: Customer privacy	2024 Corporate Citizenship Report p. 41 and 42
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">2024 Data Supplement</a> p. 5 2024 Corporate Citizenship Report p. 42

## SASB Table

SASB Standards are maintained by the [Value Reporting Foundation](#). Herc Holdings, Inc.'s disclosures are mapped to the Industrial Machinery and Goods Sustainability Accounting Standard based on the Company's Sustainable Industry Classification System. We referenced Industry Standard Version 2023-12, and some associated topics and metrics do not apply to our operating model.

Topic	Code	Metric Description	Response and/or Location
<b>Sustainability Disclosure Topics and Metrics</b>			
<b>Energy Management</b>			
	RT-IG-130a.1	(1) Total energy consumed (gigajoules)	(1) 2,364,706
		(2) Percentage grid electricity (%)	(2) 6.1%
		(3) Percentage renewable (%)	(3) 0.1% of total energy or <2% of electricity consumed
<b>Workforce Health and Safety<sup>7</sup></b>			
	RT-IG-320a.1	(1) Total recordable incident rate (TRIR)	(1) 0.80
		(2) Fatality rate	(2) 0.013
		(3) Near miss frequency rate (NMFR)	(3) Not reported
<b>Fuel Economy and Emissions in Use-Phase</b>			
	RT-IG-410a.1	Sales-weight fleet fuel efficiency for medium- and heavy-duty vehicles	As an equipment rental company that is not a manufacturer, this metric is not relevant to our business. Therefore, we do not report on this topic.
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	
	RT-IG-410a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines Materials Sourcing (Previously Called Supply Chain Management)	
<b>Materials Sourcing</b> (Previously Called Supply Chain Management)			
	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	As an equipment rental company that is not a manufacturer, this metric is not relevant to our business. Therefore, we do not report on this topic.
<b>Remanufacturing Design</b> (Previously Called Manufacturing Design and Services)			
	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	As an equipment rental company that is not a manufacturer, this metric is not relevant to our business. Therefore, we do not report on this topic.

Topic	Code	Metric Description	Response and/or Location
<b>Activity Metrics</b>			
<b>Number of Units Produced by Product Category</b>	RT-IG-000.A	Number of units	As an equipment rental company that is not a manufacturer, this metric is not relevant to our business. Therefore, we do not report on this topic.
<b>Number of Employees</b>	RT-IG-000.B	Number of employees	7,371

## Taskforce on Climate-Related Financial Disclosures (TCFD) Index

The Financial Stability Board created the TCFD to develop recommendations for companies to improve transparency by reporting climate-related information to inform asset valuations in capital markets. In line with the TCFD's recommendations, we disclose relevant climate-related information relating to governance, strategy, risk management and metrics and targets. The Company is in the early stages of considering how to conduct quantitative scenario analysis to strengthen climate-related risk and opportunity insights over time. In addition, we are making efforts to bolster our CDP Climate Change Questionnaire responses.

TCFD Disclosure Requirement Description	Response and/or Location
<b>Governance</b>	
<b>Board's oversight and management's role regarding climate-related risks and opportunities.</b>	
<b>Board's Oversight</b>	<p>2024 Corporate Citizenship Report p. 39-41</p> <p><a href="#">2024 Proxy Statement</a> p. 11-13</p> <p>The Board's Nominating and Governance Committee has primary oversight of sustainability, including climate-related disclosures, risks and opportunities. Additionally, the Board's Compensation Committee sets annual sustainability Management Business Objectives (MBOs), which are part of our executive annual incentive compensation. Sustainability MBOs typically focus on actions needed to meet our 2030 Sustainability Goals including reducing GHG emissions intensity. The Board's Audit Committee oversees Enterprise Risk Management (ERM), inclusive of climate-related risks.</p>
<b>Management's Role</b>	2024 Corporate Citizenship Report p. 39-41
<b>Strategy</b>	
<b>The actual and potential impacts of climate-related risks and opportunities on business strategy and financial planning over short-, medium- and long-term horizons. We define time horizons as short-term (2019-2024), medium-term (2025-2028) and long-term (2029-2035), consistent with our Environmental Action Plan shared in the Environmental Stewardship section of this report.</b>	
<b>Policy and Legal Transition Risks</b>	<a href="#">2023 10-K</a> p. 8
<b>Technology Transition Risks</b>	2024 Corporate Citizenship Report p. 34
<b>Market Transition Risks</b>	2024 Corporate Citizenship Report p. 34

TCFD Disclosure Requirement Description	Response and/or Location
<b>Reputation Transition Risks</b>	To date, reputation risks of climate change have not emerged as a top overall risk for the company. We primarily generate revenue through business-to-business activities and collaborate with key partners in our value chain through ongoing stakeholder engagement to proactively develop solutions to address climate risks and opportunities. In addition, we participate in professional associations such as the American Rental Association’s Sustainability Committee and the Association of Equipment Management Professionals. We believe our contributions to such professional networks help standardize climate-related metrics unique to our industry, providing customers and investors comparable, decision-useful information.
<b>Physical Risks</b>	<a href="#">2023 10-K</a> p. 16
<b>Resource Efficiency Opportunities</b>	2024 Corporate Citizenship Report p. 29–36
<b>Energy Source Opportunities</b>	<a href="#">2024 Data Supplement</a> p. 30–34
<b>Products/Services Opportunities</b>	2024 Corporate Citizenship Report p. 9 Our rental business model supports the circular/sharing economy by optimizing equipment utilization. Our products and services offer customers access to cost- and fuel-efficient solutions, decreasing their need to own, maintain and repair equipment. Customers benefit from a competitive total cost of ownership and access to the latest energy-efficient technologies on the market. By maximizing equipment usage across many customers, our business enables downstream environmental efficiencies because fewer pieces of equipment need to be manufactured when they can be shared by many people.
<b>Markets Opportunities</b>	Increasingly, upstream original equipment manufacturers are committed to offering energy-efficient, low- and zero-emissions equipment solutions. In addition, many of our downstream customers have established goals to reduce their GHG emissions and environmental impacts. Our business is positioned to bridge these synergistic objectives. Sustainability experts believe that the passage of the Inflation Reduction Act and the Infrastructure Investment and Jobs Act, along with CHIPS and Science Acts support the transition to a lower-carbon economy. These policies offer long-term opportunities for equipment rental companies supporting megaprojects while proactively preparing for broader societal climate-related risks.
<b>Resilience Opportunities</b>	See "Market Opportunities" above. We invested significantly in our rental equipment as part of our long-term capital expenditure plans, adding rental equipment in high-growth markets in response to customer demand and positioning ourselves for short- and medium-term growth. We continued strategic growth efforts in 2023 by adding 42 branches in key urban markets, half of which were through acquisitions. The remaining growth occurred through new branch expansions, referred to as "greenfield" locations in our 2023 10-K, Annual Report and earnings presentations. The addition of these new locations supports our long-term strategy to achieve greater density and scale in select urban markets across North America to better serve both our local and national customers. The proximity of new branch expansions to urban areas minimizes our need for construction projects on previously undeveloped land. In fact, 19 of 21 new branch expansions were infill development. Infill more effectively achieves sustainable development design principles because it can decrease the impacts of urban sprawl, improve transit-oriented community design and economically revitalize communities.

**TCFD Disclosure Requirement Description**

**Response and/or Location**

**Impact of Risks and Opportunities on Business, Strategy, and Financial Planning**

[2023 10-K](#) p. 7, 8 and 16

In assessing short-term impact of climate-related issues and how we respond to risks and opportunities, we have seen select indirect operating costs slightly increase 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 are seeing less than responsive supply chains and higher capital cost of those products and services.

**Risk Management**

**The process to identify, assess and manage climate-related risks.**

**Identification and Management Process**

[2024 Corporate Citizenship Report](#) p. 41

[2023 10-K](#) p. 8 and 16

[2024 Proxy Statement](#) p. 11-13

**Integration into Overall Risk Management**

Our process for identifying and assessing climate-related risks is integrated into our companywide Enterprise Risk Management (ERM) process, which is coordinated by Internal Audit to evaluate top risks. After the ERM committee identifies and assesses an enterprise risk, they determine the likelihood or severity of such a risk to the organization and take action to mitigate or lessen its potential.

**Metrics and Targets**

**The metrics and targets used to assess and manage relevant climate-related risks and opportunities.**

**Metrics to Assess Climate-Related Risks and Opportunities**

[2024 Corporate Citizenship Report](#) p. 30-37 and 41

[2024 Data Supplement](#) p. 6-8 and 13

**Scope 1, 2 and 3 Greenhouse Gas Emissions**

[2024 Corporate Citizenship Report](#) p. 31 and 32

[2024 Data Supplement](#) p. 6-8 and 13

**Targets Used and Performance Against Targets**

[2024 Corporate Citizenship Report](#) p. 6, 31 and 32

## Report Endnotes

1. Represents 2023 benefits year, which goes from July 1, 2022 - June 30, 2023. Employees and spouses on our medical plan can earn up to \$750 in wellness credits applied to their next premium.
2. Includes both required and discretionary training.
3. Excludes non-engine-powered fleet products.
4. For facilities with wash bays located in high or extremely high water-stressed zones, assessed using the World Resource Institute's (WRI) Aqueduct Water Risk Atlas.
5. Metric tons of carbon dioxide equivalent per million U.S. dollars of revenue. This metric is restated for all years reported in the Data Supplement along with our base year of 2019 due to improved data collection methodologies enabled by a new sustainability management platform. There was a base year recalculation performed that resulted in an adjustment of Scope 1 and 2 GHG emissions to 133,752 MT CO<sub>2</sub>e with an intensity of 66.9 MT CO<sub>2</sub>e per million U.S. dollars of revenue.
6. Metric tons per million U.S. dollars of revenue.
7. The number of incidents multiplied by 200,000 hours per the total number of employee hours worked.
8. New branches that are not from acquisitions are referred to as "greenfield" locations in our 2023 10-K, Annual Report and earnings presentations. Herc Rentals is committed to sustainable development practices and 19 of the 21 "greenfield" locations that opened in 2023 were built on previously developed land (i.e., infill development). Where infill development was not practical in two instances, new branches were sited on previously undeveloped land following responsible construction practices.
9. As of April 24, 2024.
10. As of May 8, 2024, as reported by the Federal Motor Carrier Safety Administration (FMCSA). We have an FMCSA-compliant HazMat curriculum in place.
11. 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 Communications that emphasize safety practices. In addition, team members perform and document daily observations as well as identify and address hazards.
12. Employees were asked, "On a scale of 0 to 10 where 0 is not at all likely and 10 is extremely likely, how likely are you to recommend Herc Rentals as a great place to work?" The eNPS score is the difference between the number of promoters (9s and 10s) and the number of detractors (0s-6s).
13. The total number of employees that willingly choose to leave their position divided by the average employee headcount. Average employee headcount was determined from each mid-month and month-end employee headcount spanning January 1, 2023 through December 31, 2023.
14. The program is available to medically eligible U.S. employees enrolled in one of Herc Rentals' medical plans as well as covered medically eligible family members.
15. Our auto-enroll feature contributes to our high participation rate.
16. Score reflects an average of responses, as does the North American benchmark.
17. Step Up For Students, the nonprofit partner awarding the scholarships to K-12 Florida students, prioritizes families who lack the financial resources to access desired education options. In 2023, the average household income of recipients was \$40,924.
18. This figure is based on data available from our direct e-waste management suppliers servicing our facilities. It does not include indirect third-party e-waste disposal.
19. These figures are based on data available from our direct waste management suppliers servicing our facilities. Reported waste tonnage excludes indirect third-party waste disposal of e-waste, tires, equipment batteries, off-fleeting, new construction, facility renovations and environmental remediation. We require our indirect third-party waste handlers to follow waste disposal laws and regulations. We also encourage them to recycle materials when practical or required.
20. Cardboard and mixed recyclables services are set up for locations within our national supplier service area.
21. Hazardous is classified as defined by the U.S. Resource Conservation and Recovery Act (RCRA) or Transport Canada classification under the Transportation of Dangerous Goods (TDG) Program.
22. Kilogallons per million U.S. dollars of revenue.



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