ERA CSR KPI

GUIDANCE FRAMEWORK

Framework prepared by:

epi Consulting

Contents

1 Introduction

Members of the European Rental Association (ERA) are committed to running their businesses responsibly. Members strive to maintain high ethical principles, respect human rights, prevent pollution, protect the environment and minimise the impact on the environment of their operations globally.

Stakeholders (Customers, Investors, Staff, Suppliers, Regulators, Government Agencies, NGOs, to name some critical stakeholders) expect, and in some cases increasingly require, rental companies to put in place Key Performance Indicators (KPIs) to measure sustainability performance levels, set targets and report progress against these targets.

This guidance framework proposes a sustainability KPI framework that will enable rental companies to implement a minimum, good practice or best practice framework, depending on their level of maturity. The framework is designed such that the minimum KPI set is the perfect "getting started" framework and once companies have experience of implementing and using the minimum set, they can progress to implementing good practice and finally develop to best practice and industry leadership.

It is suggested that when adapting and adopting this framework, rental companies also consider the current and future status of applicable laws, regulations and standards in the jurisdiction within which they operate. If there is any conflict between national laws and any recommendations outlined in this framework, it is suggested that rental companies follow an approach that promotes the higher level of measurement and reporting for workers and the environment.

This guidance framework is suitable to be adopted as a quantified sustainability performance measurement and reporting approach by rental companies. In determining what should be recommended KPIs, the framework has used the definition that a sustainability KPI is a quantifiable measurement used to gauge a company's overall long-term sustainability performance. KPIs specifically help determine a company's strategic and operational sustainability performance, especially compared to those of other businesses within the same sector.

2 Background, scope and use of this guidance framework

The sustainability KPI guidance framework outlined in the guidance was created in 2021 by a review of over 17 rental companies operating in Europe and the US. The guidance was created by reviewing the KPIs in use and being reported against by leading rental companies, grouping the KPIs into common themes and thereby creating a long list of best practice KPIs in use across the industry.

When a company is setting out on a journey to create its sustainability KPI reporting framework, this should be built up in a series of steps. Accordingly, KPIs have been grouped into one of the following three categories:

1. *Minimum or "getting started" list*

KPIs which are most frequently looked at by stakeholders and also are most closely aligned with current and future regulatory reporting and are in most common usage across the 17 rental companies reviewed by the project.

2. Good practice

KPIs which are frequently implemented and reported against after implementation of the minimum KPI set. They are considered good practice by stakeholders, and align with key topics of interest for stakeholders and the expectation of stakeholders that a rental company with a mature / good practice sustainability strategy would have these KPIs in place and be reporting against them at least annually.

3. Best practice

The final set of KPIs are measures which can be regarded as best practice in sustainability measurement and reporting and would be considered best practice by stakeholders, and to demonstrate that a rental company has a best practice sustainability strategy and is an industry leader in the area of sustainability.

The minimum, or "getting started", KPIs are those KPIs that any company no matter how large or small should put in place, as these are the KPIs that will be required to meet the needs of key stakeholders, such as customers or regulators. The next level up are good practice KPIs which should be considered as optional, which will demonstrate good practice to stakeholders and should be in place in larger and more sophisticated companies. The final category, best practice KPIs, are those KPIs which an industry leader, or company which aspires to be an industry leader, will have in place.

Section 8 of this report provides a worked example for each KPI detailed in the report to enable the user to set a reporting framework within their own organisation.

The final section, section 9, provides a checklist that companies can use to assess what, (if anything), they have in place and can see if this fully meets the needs of minimum, good and best practice sustainability KPI reporting.

Many customers require demonstration of sustainability performance. The implementation of a company sustainability KPI framework as outlined in this document can help to inform tender responses and customer engagement, especially when responding to public sector tenders or tender requests from large corporate organisations.

During research to create the sustainability KPI framework, it was noted that many similar but slightly different KPIs are in use which meet the same measurement and reporting goals. This guide provides a recommended KPI for each area, and, where available, an example, as well as implementation guidelines for the recommended KPI. Where relevant the framework also mentions alternatives which a company could consider.

In using this report, it is suggested that rental companies use the report in the following three main ways:

1. Review and update the current approach to ensure sustainability reporting needs of stakeholders are met, based on the recommendations within this report, noting the minimum, good practice and best practice recommendations for each of the eight areas
2. If there is not already a sustainability KPI framework in place, create a framework which is most suitable for your organisation by implementing minimum, good practice or best practice KPIs as appropriate to the size, complexity and sophistication of your organisation

3. Develop a sustainability reporting action plan, starting with a plan to introduce the minimum recommended KPIs in each area, moving onto good practice as you mature your approach and finally implementing best practice and becoming an industry leader

In addition to reporting against the KPIs as detailed in this report, reporting against the Sustainable Development Goals (SDGs) is increasing in importance across the industry. However, at the time of writing, SDG reporting is mainly the preserve of best practice companies, but increasingly customers are looking for suppliers to report sustainability performance against the SDGs.

To prepare for future SDG reporting and to avoid increasing reporting complexity for rental companies, this report has a section, section 7, detailing how leading companies are linking sustainability KPI reporting to the SDGs. This section indicates how the proposed sustainability KPIs align against relevant SDGs and therefore KPI reporting can also deliver against a requirement for SDGs reporting.

Further information on the Sustainable Development Goals can be found via the following link:

https://sdgs.un.org/

Further information on reporting against the Sustainable Development Goals can be found via the following link:

https://www.unglobalcompact.org/take-action/action-platforms/sdg-reporting

3 Compliance and reporting KPIs

Sustainability is an area of increasing focus by legislators. The larger the company, the greater the scrutiny it will be placed under and the greater the requirements for mandatory reporting against sustainability performance.

In addition to local legislation, at the current time of preparation of this report, the EU and various countries within and outside the EU are looking at implementing new legislation, particularly in the areas of Circular Economy, Human Rights and Climate and Environmental reporting. The EU Green Deal, various Modern Slavery Legislation and CSR Directive Implementation Act, are all likely to have an impact on reporting requirements placed on rental companies operating in the EU.

The following table outlines some of the relevant forthcoming legislation likely to affect sustainability reporting:

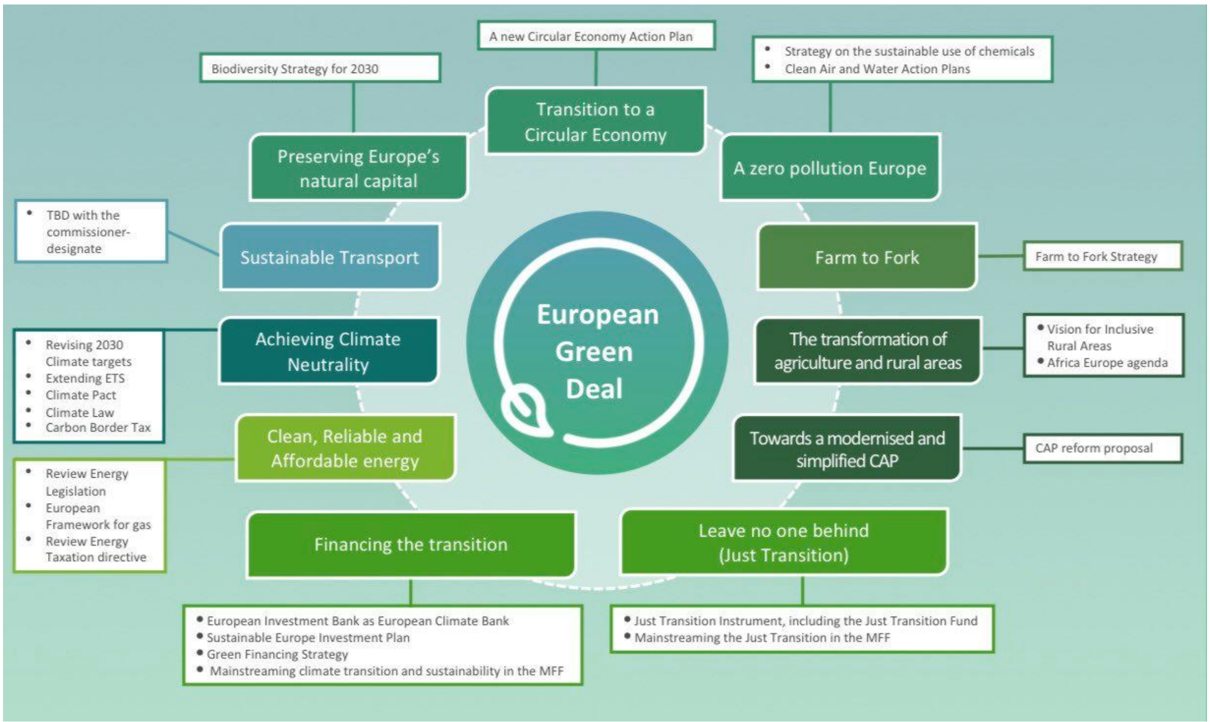
Circular Economy	Human Rights	Climate and Environmental reporting
EU Circular Economy Package: Targets for the recycling of waste: • 2006/66/EC – Batteries • 2012/19/EU – WEEE **Status:** Currently being enacted into legislation, contains binding targets for reuse, recycling and other recovery	**Business and Human rights**: To date, 23 EU and EFTA states have adopted a national action plan on business and human rights which require companies to implement and report on human rights due diligence **Modern Slavery:** • UK Modern Slavery Act • France – Duty of Vigilance law • US – Trade facilitation and Trade enforcement Act	**Mandatory carbon reporting CSR directive implementation act (CDIA)** Directive 2014/95/EU – Non financial and diversity information reporting **Status:** • UK - Green House Gas reporting is mandatory for quoted companies • EU – Climate and Environmental reporting part of the CDIA

Implementing the recommendations in this report and commencing the journey towards best practice in terms of sustainability performance measurement and reporting will enable European rental companies to be prepared for future legislation in areas such as:

- Greenhouse gas emissions
- Diversity
- Supply chain sustainability, particularly in areas such as child and forced labour
- Material reuse, recovery and recycling

Forthcoming legislation includes the EU Green Deal and EU taxonomy rules, and is likely to impact company sustainability reporting.

The forthcoming EU Green Deal legislation will cover areas of relevance to the EU rental sector such as circular economy, carbon emissions, sustainable product policies and green product procurement, the following schematic highlights the key areas of the Green Deal:



Further information can be found via the following links:

- **The European Green Deal**: https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf
- **The Circular Economy Action Plan**: https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN
- **Corporate social responsibility (CSR) and its implementation into EU company law**: https://www.europarl.europa.eu/RegData/etudes/STUD/2020/658541/IPOL_STU(2020)658541_EN.pdf
- **EU Taxonomy rules:** https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

4 Continuous Improvement

ERA believes in continuous improvement and recognises that implementing a Sustainability KPI measurement and reporting system, as outlined in this guidance framework, into member company businesses is a dynamic rather than a static process. It is important rental companies show dedication towards embedding, not only the minimum KPI set, but progress through good practice to best practice and seek continuous improvement over time in order to be able to show progress in all areas covered by the KPIs outlined in this framework.

5 Further information

For further information on any topic in this framework, please contact your supply chain representative in your ERA member company or John Spear at epi Consulting, jspear@epiconsulting.co.uk / + 44 7768 901991.

ERA CSR KEY PERFORMANCE INDICATORS
(To be adapted as required and adopted by rental companies as their own KPIs)

Overview

The sustainability KPI framework covers the following eight areas:

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

Each area has colour coded KPIs as follows:

KEY:

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

A tabular summary of the KPIs is as follows:

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

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

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

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

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

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

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

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

The following provides detail on each KPI for each section, and section 8 of the report provides worked examples of how to calculate and report against each KPI described in this report.

SECTION 1 – PEOPLE

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

Minimum recommended KPIs:

People KPI 1 Employee engagement / employee satisfaction

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

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

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

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

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

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

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

Example of employee engagement measure – Ramirent 2018 Annual Report:

RAMIRENT

Employee value

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

Driving employee engagement

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

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

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

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

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

People KPI 2 Employee voluntary turnover

To calculate the employee voluntary turnover, divide the number of employees that voluntarily left the business by the average number of employees.

For example, if your business had an average of 1,000 employees over the year and 25 left voluntarily, divide 25 /1,000 x 100 = 2.5%. This figure represents the employee **voluntary turnover rate** for the business.

Example of employee voluntary turnover measure – Ashtead Group (Sunbelt Rentals) Annual Report 2020:

Ashtead group

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

"In North America, our voluntary staff turnover is 14% (total staff turnover is 19%) with two-thirds of this turnover arising from people with less than two years' experience. Although staff turnover is slightly higher in the UK, the overall picture is similar. Voluntary staff turnover is 16% (total staff turnover is 21%) and around 11% arises from people with less than two years' experience."

Good practice KPIs:

People KPI 3 % of workforce women

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

For example, if your business had an average of 1,000 employees over the year and on average 100 are female, divide 100 /1,000 x 100 = 10%. This figure represents the **% of the workforce that are women** for the business.

People KPI 4 % of managers women

To calculate the % of management that are female, divide the average number of female managers (females in a supervisory position within the business) by the average total number of managers, male and female.

For example, if your business had an average of 200 managers over the year and on average 10 are female, divide 10 /200 x 100 = 5%. This figure represents the **% of managers that are women** for the business.

Example: Ashtead Annual Report 2020:

WORKFORCE BY GENDER

Number of employees	Male	Female	Female %
Board directors	5	3	38%
Senior management	31	4	11%
All staff	17,347	1,943	10%

People KPI 5 Sick leave / sickness rate

To calculate the sickness rate, total the number of days that should have been worked (or hours for variable hour's employees). Calculate the total number of days / hours lost to sickness absence. Divide the number of days / hours lost by the number that should have been worked. Multiply this result by 100 to calculate a sickness absence percentage

Example: Riwal 2019 Corporate Social Responsibility report:

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

Best practice KPIs:

People KPI 6 % of employees permanently employed

Permanent employees work for an employer and are paid directly by that employer. Permanent employees do not have a predetermined end date of employment. In addition to their wages, they often receive benefits like subsidised health care, paid holidays, sick time or contributions to a retirement plan.

To calculate the % of employees that are permanently employed, divide the average number of temporary workers by the average number of total workers in the business, (permanent plus contract plus casual / agency labour), this gives the temporary worker % which if taken away from 100% gives the % of permanently employed workers.

Example: Loxam CSR report 2018:

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

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

People KPI 7 Number of nationalities employed

The number of nationalities employed is a calculation of each different nationality employed within the organisation. It is an indicator of diversity within your workforce.

Example: Loxam CSR report 2018:

LOXAM

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

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

People KPI 8 % of employees under 25

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

Example: Loxam CSR report 2018:

LOXAM

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

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

People KPI 9 % of employees over 50

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

Example: Loxam CSR report 2018:

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

2018 remarks

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

People KPI 10 Gender pay gap

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

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

Example: Ashtead Annual Report 2020:

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

	Pay gap
Sunbelt US	5%
Sunbelt UK	4%
Sunbelt Canada	11%

People KPI 11 Disability employment %

To calculate the Disability employment %, divide the average number of workers who are registered disabled, by the average number of workers in the business and multiply by 100 to calculate the percentage

People KPI 12 Legal proceedings on human rights

The number of lawsuits relating to human rights. The figure is a simple sum of all lawsuits received by the company and is an indicator of an effective approach to ensuring human rights are observed within the organisation.

Example: Cramo non-financial information statement 2017:

CRAMO

RESPECT FOR HUMAN RIGHTS

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

KPIS WITH IMPLICATIONS FOR RESPECT FOR HUMAN RIGHTS

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

*Lawsuits regarding discrimination are included.

SECTION 2 – HEALTH AND SAFETY

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

Minimum recommended KPI:

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

The first and most critical measure is around the number of health and safety or accident related incidents that have occurred in a reporting period (usually annually).

The measure of number of accidents is best expressed as an absolute number, i.e. number of incidents.

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

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

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

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

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

Here is an example from the Cramo non financial information statement 2017:

CRAMO

KPIS WITH IMPLICATIONS FOR SOCIAL AND EMPLOYEE MATTERS

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

1 Administrative HQ functions are excluded.

And another example this time from Riwal Corporate social responsibility report 2019:

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

As can be seen in the Riwal example, also reporting on accidents and near misses can be considered good practice on top of lost time injuries.

Good practice KPI:

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

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

In the examples given above, Cramo reports on the % of its operations (relative to sales) covered by OHSAS 18001. To calculate this measure, take the % of turnover that occurs in operations covered by OHSAS 18001 and divide by the organisation's total turnover and multiply by 100 to get a % figure.

As an alternative, Riwal set an absolute goal of achieving three new OHSAS certifications in the countries within which it operates.

Best practice KPI:

Health and Safety KPI 3 *Safety offering as a % of sales*

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

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

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

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

Here is an example from the Ramirent Annual Report 2018:

RAMIRENT

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

This measure can be linked to the measure in the training section – number of external individuals participating in safety training as it would include paid for safety training course.

SECTION 3 – TRAINING

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

Minimum recommended KPI:

Training KPI 1 % of employees receiving training

The first and most critical training measure is the number of employees receiving training in the reporting period (usually, annually). This is normally reported as a % of employees who have received training / total number of employees x 100 to get a % figure.

Training could be in any subject which develops employees or increases their competence and efficiency and can range from anti-corruption and bribery through to customer relationship management, equipment knowledge, machine operation, safety and the environment.

The following example is from Loxam's 2019 CSR report:

LOXAM

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

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

65%+ employees received training in 2018

This measure can be linked to the measure in the Anti-Corruption and Bribery (ACB) measure on number of staff involved in ACB training.

Best practice KPI:

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

This measure relates to the number of external, usually customers, participating in externally delivered safety training. It is usually an absolute number which is put in the context of a target as can be seen in the Cramo, example below.

Example from the Cramo non financial information statement 2017:

CRAMO

KPIS WITH IMPLICATIONS FOR SOCIAL AND EMPLOYEE MATTERS

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

1 Administrative HQ functions are excluded.

This measure can be linked to the measure in the safety section – Health and Safety KPI 3, Safety offering as a % of sales, as the number of external individuals participating in safety training may include those who have paid for a safety training course.

SECTION 4 – ENVIRONMENT

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

Minimum recommended KPIs:

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

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

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

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

Within this measure you may also wish to set a target for the reduction in emissions from rental units (for example, site buildings) and report progress in reducing unit emissions over time. In the example below Cramo has a target of 13% energy reduction from rental site modules.

The following examples from Cramo demonstrate the approach:

Cramo 2021 website:

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

Cramo 2017 Sustainability report:

KPIS WITH IMPLICATIONS FOR THE ENVIRONMENT

KPI	Target	Outcome 2017
Energy usage from rented site huts and modules	13% reduction of energy usage/m² by 2020 vs 2016	168 kWh/m²
Share of diesel powered heating equipment	40% reduction by 2020 vs 2016	Share of diesel powered heating equipment of total heating fleet, 12.4%
Share of Stage I–III diesel engines	70% reduction by 2020 vs 2016	Share of rental equipment with diesel engines stage I–III, 39.5%
Number of lawsuits (environment)	0 lawsuits (environment)	0
CO_2 emissions, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016	17.5 tonnes/MEUR
Energy usage, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016	89.2 MWh/MEUR
Share of waste to recycling	>60% by 2020	53%
Share of waste to landfill	<15% by 2020	11%
Share of mixed waste	<20% by 2020	30%
Share of operations (relative sales) covered by ISO 14001	All operations covered by ISO 14001 by 2020	88% (relative sales)

Environment KPI 2 Reduction in carbon emissions

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

- Energy consumption reduction versus a baseline
- Emissions per employee
- Emissions per € unit turnover
- % of renewable energy or low carbon energy
- Carbon emission of leased equipment (own fleet)
- Light vehicle replacement (hybrid / electric)

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

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

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

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

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

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

For the typical rental company, the biggest source of carbon emissions is their transport activity, this is part of Scope 1 and a key input into calculating this measure (see section 8 for worked example).

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

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

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

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

An example of carbon emissions reporting is the 2020 Ashtead group responsible business report:

“As we are a growing business with aggressive expansion plans, our absolute greenhouse gas (‘GHG’) emissions will necessarily increase. However, we continue to evaluate how best we can limit that increase and mitigate the impact. Our Scope 1 (fuel combustion and operation of facilities) and 2 (purchased electricity) GHG emissions are reported below, together with details of the energy consumption used to calculate those emissions. We have opted not to report Scope 3 emissions due to the difficulty in gathering accurate and reliable information. The majority of these arise through our customers’ use of our equipment on their sites and projects. In order to calculate the GHG emissions and total energy consumption in mWh, we have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with emission factors from the UK Government’s GHG Conversion Factors for Company Reporting 2019, as well as the US Environmental Protection Agency. In the UK, we collect data from all Scope 1 and 2 vendors and hence, there is no estimation involved. In the US and Canada, due to the size of our operation, we collect data from the significant vendors and then use this to estimate emissions attributable to the balance. At April 2020, approximately 8% of the Sunbelt North American emissions balance was estimated. We are also required to give an intensity ratio as appropriate for our business. Our level of GHG emissions varies with our activity levels and we have concluded that the most appropriate intensity ratio for Ashtead is headcount intensity. Our intensity metric is therefore an indication of emissions per employee (tCO2e/FTE).”

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

GREENHOUSE GAS EMISSIONS

		2020		2019	
		UK	**Total**	UK	Total
Scope 1	tCO_2e/year*	**31,646**	**296,128**	32,357	265,319
Scope 2	tCO_2e/year*	**2,856**	**36,399**	3,082	38,415
Total	tCO_2e/year*	**34,502**	**332,527**	35,439	303,734
Energy consumption used to calculate emissions	mWh	**143,055**	**1,303,858**	143,708	1,176,238

* tCO_2e/year defined as tonnes of CO_2 equivalent per year.

Good practice KPIs:

Environment KPI 3 *Reduction in waste*

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

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

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

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

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

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

A good example is the 2019 Riwal corporate social responsibility report:

KPI	Goal	Result
Kg Carbon (CO_2) emission per FTE	-1%	-1.5%
Kg Carbon (CO_2) emission per €M revenue	-1%	+2.6%
Waste (Ton) per FTE	1	0.7
Waste (Ton) per €M revenue	10	7.67
Waste recycled	70%	95.2%
Waste (Ton) per FTE	1	0.7

RIWAL

Environment KPI 4 % of operations ISO 14001 certified

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

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

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

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

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

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

Loxam 2018 CSR report:

LOXAM

Environmental KPIs

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

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

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

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

Loxam 2019 CSR report:

LOXAM

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

Environment KPI 5 Water consumption per € unit turnover

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

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

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

An example is the 2019 Atlas Copco Annual Report:

Atlas Copco

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

THE ENVIRONMENT

VISION: Our processes minimize our impact on the environment

ACTION: We use resources responsibly

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

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

Best practice KPIs:

Environment KPI 6 Third party environmental performance rating

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

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

Environment KPI 7 Legal proceedings – environment

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

Example: Cramo non-financial information statement 2017:

CRAMO

KPIS WITH IMPLICATIONS FOR THE ENVIRONMENT	
KPI	Target
Energy usage from rented modules	13% reduction of energy usage/m^2 by 2020 vs 2016
Share of diesel powered heating equipment	40% reduction by 2020 vs 2016
Share of Stage I–III diesel engines	70% reduction by 2020 vs 2016
Number of lawsuits (environment)	0 lawsuits (environment)
CO_2 emissions, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016
Energy usage, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016
Share of waste to recycling	>60% by 2020
Share of waste to landfill	<15% by 2020
Share of mixed waste	<20% by 2020
Share of operations (relative sales) covered by ISO 14001	All operations covered by ISO 14001 by 2020

Environment KPI 8 *Environmental incident / near miss*

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

SECTION 5 – SUPPLY CHAIN

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

Minimum recommended KPI:

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

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

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

In calculating the % of companies signing up this can be calculated in three ways:

a) % of total companies signing up to the code of conduct
b) % by spend signing up to the code of conduct

or

b) % by risk rating signing up to the code of conduct. Each measure can be calculated as follows:
   a) % of number of companies signing the code of conduct / total number of suppliers x 100 to obtain the %
   b) % by spend of companies signing the code of conduct / total spend on supply chain x 100 to obtain a % signing the code of conduct by spend
   c) % of the companies signing the code of conduct / total number of companies in a designated risk category

Which measure to choose?

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

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

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

Best practice KPI:

Supply chain KPI 2 *% of suppliers* % of suppliers assessed on CSR

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

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

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

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

Example: Ramirent Annual Report 2018:

Sustainable procurement

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

RAMIRENT

SECTION 6 – ANTI-CORRUPTION AND BRIBERY

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

Minimum recommended KPI:

ACB KPI 1 *% of employees signing the business code of conduct*

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

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

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

- % of staff signing the code of conduct / total number of staff in a designated risk category

Example: Atlas Copco Annual Report 2019:

ETHICS

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

ACTION: We act with honesty and integrity

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

Good practice KPI:

ACB KPI 2 % of employees receiving business ethics/CoC training annually

It is considered good practice to not only ensure at risk employees sign a business code of conduct (CoC), described above, but also that this is supported by training in ACB, so employees in an at risk position, can recognise and be aware of how to deal with ACB issues should they arise. For example, how should a sales person or depot manager deal with a customer that asks for compensation if he places his rental business with the company.

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

In calculating the % of staff being trained, best practice is to express the % as the % of total staff in a certain risk group (i.e. at risk or supervisory positions). The measure can be calculated as follows:

- % of staff being trained in the code of conduct / total number of staff in a designated risk category

The above Atlas Copco example provides an example.

An additional measure is to measure and report on the number of managers delivering training to their staff in the business code of conduct.

Best practice KPI:

ACB KPI 3 Violations of corruption or bribery

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

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

Example: Ramirent Annual Report 2018:

RAMIRENT

Other non-financial KPIs Indicator	Target level	2018	2017
Personnel distribution by gender	Increase % of female employees	16/84%	16/84%
Violations of human rights, corruption or bribery	None	0	0
Recycled waste of total waste	50%	88%	84%
Total amount of waste, T[3]	Declining	5.6	4.5
Overall electricity consumption, MWh[4]	Declining	19.8	19.6
Total number of chemicals used	Maintain level	1,060	1,054

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

SECTION 7 – CIRCULARITY

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

Good practice KPI:

Circularity KPI 1 *% of equipment recycled by unit*

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

The two most common indicators are:

- Simple summation of number of units reused – see Loxam example below for site cabins
- % of total units consumed made up from recycled / reused / refurbished parts, (calculated by recycled parts / total parts x100). In the example below from Loxam this is measured in the area of spare part consumption

Example: Loxam 2019 CSR report

LOXAM

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

Circularity KPI 2 % of waste recycled by weight

As well as measuring and reporting the amount of waste produced (see environmental indicator number 3, reduction in waste), it is good practice to implement indicators which measure the level of waste recycling undertaken by a rental company.

The two most common indicators are:

- Simple summation of volume of waste recycled – see Loxam example below for industrial waste
- % of waste material recycled (calculated by recycled material / total material x100). In the example below from Loxam this is measured in the area of reused waste oil

Example: Loxam 2019 CSR report

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

SECTION 8 – OTHER

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

Good practice KPI:

Other KPI 1 Fleet operator recognition scheme

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

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

An example is the Fleet Operator Recognition Scheme in the UK or FORS:

"The Fleet Operator Recognition Scheme (FORS) is a voluntary accreditation scheme for fleet operators which aim to raise the level of quality within fleet operations, and to demonstrate which operators are achieving exemplary levels of best practice in safety, efficiency, and environmental protection."

The measure you should implement is the number of sites, either as an absolute number or ideally a % of total sites that are accredited to the scheme. Or accredited to a certain level within the scheme.

The following example is from the Ashtead Group Annual Report 2020:

"We continue to make fleet efficiency gains in the UK. The Fleet Operator Recognition Scheme ('FORS') is an accreditation scheme that aims to improve vehicle fleet activity throughout the UK. The over-arching scheme encompasses all aspects of safety, fuel efficiency, economical operation and vehicle emissions. All Sunbelt UK locations, except for recently acquired ones, are FORS accredited with 165 locations accredited to Gold level. All locations are accredited, with new locations having to become accredited, to ensure we meet all legislative requirements, as well as helping to minimise our environmental impact and operate efficiently."

7 Sustainability KPIs and the Sustainable Development Goals

As previously outlined in this document, reporting against the Sustainable Development Goals (SDGs) is increasing in importance across the industry. However, at the time of writing, SDG reporting is mainly the preserve of best practice companies.

To report against the SDGs, it is suggested that you include reference to the SDGs in the overview section, or a summary performance section of your sustainability report, where you set out your sustainability strategy, targets, KPIs and current performance levels.

See the table from Atlas Copco for a practical example at the end of this section, in this example you would include the relevant KPIs, current performance and targets as well as the relationship of each KPI to the relevant sustainable development goal.

Each of the KPIs outlined in this guidance framework can be linked to the following SDGs.

Different indicators may be linked to multiple SDGs but the tables below have indicated the main relevant SDG for each indicator:

People	Sustainable Development Goals
1. Employee engagement / satisfaction	8 Decent work and economic growth
2. Employee voluntary turnover	
5. Sick leave	
3. % of workforce women	5 Gender equality
4. % managers women	
10. Gender pay gap	
6. % of employees permanently employed	8 Decent work and economic growth
12. Legal proceedings on human rights	
7. Number of nationalities employed	10 Reduced inequalities
8. % of employees under 25	
9. % of employees over 50	
11. Disability employment %	

Health and Safety	Sustainable Development Goals
1. Lost time incident rate (LTIR)	8 Decent work and economic growth
2. Share of operations covered by OHSAS 18001 or similar (relative to sales)	
3. Safety offering as a % of sales	

Training	Sustainable Development Goals
1. % of employees receiving training	8 Decent work and economic growth
2. Number of external individuals participating in safety training	

Environment	Sustainable Development Goals
1. Electric powered/low emission units in fleet	12 Responsible consumption and production
2. Reduction in carbon emissions	
3. Reduction in waste	
4. Number of branches ISO 14000 certified	
5. Water consumption per € unit turnover	
6. Third party rating	
7. Legal proceedings - environment	
8. Environmental incident / near miss	

Supply chain	Sustainable Development Goals
1. % of suppliers signing up to sustainable supply chain Code of Conduct	12 Responsible consumption and production
2. % of suppliers assessed on CSR	

Anti-Corruption and Bribery		
1. % of employees signing the business code of conduct	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16 Peace, justice and strong institutions
2. % employees receiving business ethics/CoC training annually		
3. Violations of corruption or bribery		

Circularity		
3. % of equipment recycled by unit	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9 Industry, innovation and infrastructure
4. % of waste recycled by weight		

Other		
2. Fleet operator recognition scheme (FORS or local equivalent) certification per location	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 Responsible consumption and production

Practical example from Atlas Copco 2019 Annual Report.

Atlas Copco

This is the summary table at the start of their report:

FOCUS AREAS FOR SUSTAINABILITY

FOCUS AREAS	VISION	MATERIAL ISSUES	UN SUSTAINABLE DEVELOPMENT GOALS
Products and service	Our products create lasting value and make a positive impact	• Product eco-efficiency • Life-cycle perspective • Product innovation • Product quality and safety	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
People	Our culture of collaboration and inclusion drives our success	• Employee satisfaction and engagement • Diversity and non-discrimination	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Safety and well-being	The way we work contributes to our safety and well-being	• Occupational health, safety and well-being	8 DECENT WORK AND ECONOMIC GROWTH
Ethics	We are known for ethical behavior, openness and respect	• Business ethics and integrity • Human rights • Transparency and accountability • Responsible supply chain	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
The environment	Our processes minimize our impact on the environment	• Climate change • Energy use and efficiency • Waste • Water use	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

And for each section they include a summary of the linkage of the section to the SDGs:

Atlas Copco contributes to the following Sustainable Development Goals:

5.1 End all forms of discrimination against all women and girls everywhere.

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers.

8 Example calculations for each KPI

The following provides a framework and worked example for calculating each KPI:

8.1 People section

People
13. Employee engagement / satisfaction
14. Employee voluntary turnover
15. % of workforce women
16. % managers women
17. Sick leave
18. % of employees permanently employed
19. Number of nationalities employed
20. % of employees under 25
21. % of employees over 50
22. Gender pay gap
23. Disability employment %
24. Legal proceedings on human rights

Minimum recommended KPIs:

People KPI 1 Employee engagement / employee satisfaction

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

- Teamwork
- Trust in leadership and co-workers
- Career development
- Communication and change management
- Confidence in the future

- Individual needs like pay
- Value and recognition

All the above drivers impact engagement, some make a bigger footprint than others.

Ensure your survey covers a variety of topics that can impact employee engagement.

Drivers help organisations understand what impacts engagement so they can put the right programmes in place to improve.

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

- The first year sets a baseline for staff satisfaction, this should be expressed as a % - for example, staff overall satisfaction was 76% in year x. This figure being arrived at by summing the average satisfaction in each area by the number of areas reviewed
- You should also set a target for improvement, this being a % achieved over a time period. In this example the target could be an increase in staff satisfaction to 80% within two years
- You should report progress over time, for example year 1 – average staff satisfaction was 76%, year 2 = 78%, year 3 = 80%, year 4 = 84%

People KPI 2 Employee voluntary turnover

To calculate the employee voluntary turnover, divide the number of employees that voluntarily left the business by the average number of employees.

For example, if your business has an average of 1,000 employees over the year and 75 left voluntarily, divide 75 /1,000 x 100 = 7.5 %. This figure represents the **voluntary turnover rate** for the business.

Good practice KPIs:

People KPI 3 % of workforce women

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

For example, if your business had an average of 1,000 employees over the year and on average 100 are female, divide 100 /1,000 x 100 = 10%. This figure represents the **% of the workforce that are women** for the business.

People KPI 4 % of managers women

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

For example, if your business has an average of 200 managers over the year and on average 10 are female, divide 10 /200 x 100 = 5%. This figure represents the **% of managers that are women** for the business.

People KPI 5 Sick leave / sickness rate

To calculate the sickness rate, calculate the total number of days that should have been worked (or hours for variable hour's employees). Calculate the total number of days/hours lost to sickness absence. Divide the number of days/hours lost by the number that should have been worked. Multiply this result by 100 to calculate a sickness absence percentage.

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

Best practice KPIs:

People KPI 6 % of employees permanently employed

To calculate the % of employees that are permanently employed, subtract the percentage of temporary employees from the total number of employees to calculate your permanent employee percentage. To calculate your temporary employee percentages, divide the average number of temporary workers by the average number of total workers in the business, permanent plus temporary labour.

For example, you have 500 permanent employees employed during the year, and employed 50 temporary employees, your % of employees permanently employed would be 1- (50/550) * 100 = 91%.

People KPI 7 Number of nationalities employed

The number of nationalities employed is a total sum of each different nationality employed within the organisation. It is an indicator of diversity within your workforce.

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

People KPI 8 % of employees under 25

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

For example: Over the course of the year, you had 50 workers who were under the age of 25, and 450 who were 25 or over. Your % of workers under 25 is 50/500*100 = 10%.

People KPI 9 % of employees over 50

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

For example: Over the course of the year, you had 75 workers who were 50 years or over, and 450 who were under the age of 50. Your % of workers over 50 is 75/525*100 = 14.3%.

People KPI 10 Gender pay gap

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

For example: You employ 1,000 staff, of which 350 are female and 650 males.

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

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

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

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

To report the wage gap by quartile. In this case you total all employees and calculate the wage gap for the top quartile (top 25%) of earners, the bottom quartile (bottom 25%) and the middle two quartiles.

Identify the quartiles by taking a list of all employees from highest to lowest and take the top 25% (both men and women) and treat the analysis as in the above example, and the same for the bottom quartile and the middle two quartiles.

People KPI 11 Disability employment %

To calculate the disability employment %, divide the average (over the year) number of registered disabled workers by the average total number of workers in the business and multiply by 100 to calculate the percentage.

For example: Over the course of the year, you had 5 workers who were registered disabled, and a total workforce of 525 (including the registered disabled workers). Your disability employment % is 5/525*100 = 0.95%.

People KPI 12 Legal proceedings on human rights

The figure is a simple sum of all lawsuits received by the company and is an indicator of an effective approach to ensuring human rights are observed within the organisation.

For example: No lawsuits were received by the company in the reporting year so the KPI is zero.

8.2 Health and Safety section

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

Minimum recommended KPI:

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

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

Good practice KPI:

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

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

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

Your turnover is €1,000,000. The 40 depots generated €600,000 of turnover in the reporting year in question. Your share of operations covered by OHSAS 18001 is €600,000/€1,000,000 * 100 = 60%.

Best practice KPI:

Health and Safety KPI 3 *Safety offering as a % of sales*

The measure is calculated by the safety related sales value, dividing it by the organisations total sales and multiplying by 100 to get a % of total sales made up by the safety offering.

For example: You have sales of €1,000,000. You sold €150,000 worth of training and safety equipment rental in the reporting year in question. Your safety offering as a % of sales is:

€150,000/€1,000,000*100 = 15%.

8.3 Training section

Training
3. % of employees receiving training
4. Number of external individuals participating in safety training

Minimum recommended KPI:

Training KPI 1 *% of employees receiving training*

This is normally reported as a % of employees who have received training / total number of employees x 100 to get a % figure.

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

Best practice KPI:

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

This measure relates to the number of external, usually customers, participating in externally delivered safety training. It is usually an absolute number which is put in the context of a target.

For example: 10,000 individuals participated in safety training (online or in person) in the reporting year in question.

8.4 Environmental section

Environment
9. Electric powered/low emission units in fleet
10. Reduction in carbon emissions
11. Reduction in waste
12. Number of branches ISO 14000 certified
13. Water consumption per € unit turnover
14. Third party rating
15. Legal proceedings – environment
16. Environmental incident / near miss

Minimum recommended KPIS:

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

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

For example: there are 200 machines in your rental fleet, 75 meet euro 6 standards and 10 are fully electric.

Your reporting is:

10/200*100 = 5% of the fleet are electric powered

75/200*100 = 37.5% of the fleet meet euro 6 diesel emission standards.

Environment KPI 2 *Reduction in carbon emissions*

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

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

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

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

For example: A rental company measures its total carbon emissions* which are:

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

Your total scope 1 and 2 emissions are 37,476 tonnes CO_2 equivalent per annum, or 37,476,000 kg CO_2e per annum.

Your turnover is €450,000,000 and you employed 3,500 staff.

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

1) Per unit of turnover: in this example 0.083Kg CO_2e per unit of turnover
2) Per employee: in this example 10.7 tonnes CO_2e per employee

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

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

Good practice KPIs:

Environment KPI 3 *Reduction in waste.*

It is recommended that you measure waste per unit of activity (which would be per employee or per unit), typically per €1,000 or €100,000, of turnover.

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

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

For example: For an annual turnover of €45,000,000 employ 350 full time staff, produce 500 tonnes of waste per annum and recycle 20 tonnes.

Waste tonne per FTE is: 480/350 = 1.37 tonnes per FTE

Waste per million of turnover is 480/45 = 10.67 tonnes per million of turnover

In addition, you can report your recycling rate which is:

Recycling rate is 20/500*100 = 4%

Environment KPI 4 *% of operations ISO 14001 certified.*

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

For example: For 100 depots, 40 of them are covered by ISO 14001 and these 40 depots generate 60% of your turnover.

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

Environment KPI 5 Water consumption per € unit turnover

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

For example: A rental company measures its total water usage which is 3600 m3 per annum.

Your turnover is €450,000,000 and you employ 3,500 staff.

You can report water consumption in two ways:

1) Per unit of turnover: in this example 3,600/€450m = 8m3 per million of turnover per annum
2) Per employee: in this example 3,600/3,500 staff = 1.03m3 per employee per annum

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

Best practice KPIs:

Environment KPI 6 Third party rating

To obtain a third party rating you have to sign up to the third party and they will provide an assessment framework together with a sustainability rating. More and more companies are asking their supply chain to sign up to third party ratings in order to drive engagement on environmental issues. Your selection of a third party should be driven by a consideration of which third party your stakeholders, customers and investors would prefer.

Environment KPI 7 Legal proceedings – environment

The number of lawsuits relating to environmental incidents.

The figure is a calculation of all lawsuits received by the company and is an indicator of an effective approach to ensuring environmental laws and regulations are observed within the organisation.

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

Environment KPI 8 Environmental incident / near miss

The number of environmental incidents or near miss situations relating to environmental factors.

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

For example: If you had one diesel spill incident in the reporting year in question (from a diesel storage area), you would report 1 environmental incident.

8.5 Supply chain section

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

Minimum recommended KPI:

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

In calculating the % of companies signing up this can be calculated in three ways, % of total companies signing up to the code of conduct, % by spend signing up to the code of conduct or % by risk rating signing up to the code of conduct. Each measure can be calculated as follows:

a. % of number of companies signing the code of conduct / total number of suppliers x 100 to obtain the %
b. Example: Out of your 1,000 suppliers, 100 have signed up to the code of conduct. You report: 100/1,000*100 = 10%
c. % by spend of companies signing the code of conduct / total spend on supply chain x 100 to obtain a % signing the code of conduct by spend
d. Example: Out of your 1,000 suppliers, 100 have signed up to the code of conduct and these suppliers represent 70% of your total spend of €1,000,000 per annum. The measure is: 700,000/1,000,000*100 = 70% of suppliers by spend have signed up to our code of conduct.
e. % of the companies signing the code of conduct / total number of companies in a designated risk category.

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

You report 100 high risk suppliers/100 high risk suppliers signing the code of conduct *100 = 100% of all high risk suppliers have signed our sustainable supply chain code of conduct.

Best practice KPI:

Supply chain KPI 2 *% of suppliers* % of suppliers assessed on CSR

In checking for implementation of the code of conduct there are three main approaches which a rental company can consider reporting against:

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

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

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

8.6 Anti-corruption and bribery section

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

Minimum recommended KPI:

ACB KPI 1 *% of employees signing the business code of conduct*

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

For Example: You have 100 staff in supervisory or management positions; all these staff have signed your business code of conduct.

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

Good practice KPI:

ACB KPI 2 *% of employees receiving business ethics/CoC training annually*

In calculating the % of staff being trained, best practice is to express the % as the % of total staff in a certain risk group (i.e. at risk or supervisory positions). The measure can be calculated as follows:

For example: You have 100 staff in supervisory or management positions, 50 of these staff have been received business ethics training in the last three years.

The measure is calculated as follows: 100 supervisory staff/50 supervisory staff receiving training in last three years * 100 = 50% of staff in supervisory positions have received training in business ethics in the last three years.

Best practice KPI:

ACB KPI 3 *Violations of corruption or bribery*

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

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

8.7 Circularity section

Circularity
3. % of equipment recycled by unit
4. % of waste recycled by weight

Good practice KPI:

Circularity KPI 1 *% of equipment recycled by unit*

The two most common indicators are:

- Simple summation of number of units reused

  For example: You have 450 site cabins and 350 are reused at year end so you report either the number of reused site cabins per annum – 350, or a %, 350/450*100 = 78% of site cabins are reused in the reporting year

% of total units consumed made up from recycled / reused / refurbished parts (calculated by recycled parts / total parts x100). For example: If you have used 1,000 spare parts in the year in question and of these 650 were remanufactured or salvaged parts. You report: 650/1,000 * 100 = proportion of reused spare parts = 65%.

Circularity KPI 2 *% of waste recycled by weight*

The two most common indicators are:

- Simple summation of volume of waste recycled
  For example: If you have produced 500 tonnes of waste in the year in question, and recycled 200 tonnes. You report that you recycled 200 tonnes of waste
- % of waste material recycled (calculated by recycled material / total material x100)
  For example: If you have produced 500 tonnes of waste in the year in question, and recycled 200 tonnes. You report that you recycled 40% of your waste – 200/500*100 = 40%

8.8 Other section

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

Good practice KPI:

Other KPI 1 *Fleet operator recognition scheme*

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

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

An example is the Fleet Operator Recognition Scheme in the UK or FORS:

FORS FLEET OPERATOR RECOGNITION SCHEME

“The Fleet Operator Recognition Scheme (FORS) is a voluntary accreditation scheme for fleet operators which aims to raise the level of quality within fleet operations, and to demonstrate which operators are achieving exemplary levels of best practice in safety, efficiency, and environmental protection.”

The measure you should implement is the number of sites, either as an absolute number or ideally a % of total sites that are accredited to the scheme. Or accredited to a certain level within the scheme.

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

9 Sustainability KPI performance checklist

TOPIC	NOT YET IN PLACE	IN PLACE
SECTION 1 – PEOPLE		
1. Employee engagement / satisfaction		
2. Employee voluntary turnover		
3. % of workforce women		
4. % managers women		
5. Sick leave		
6. % of employees permanently employed		
7. Number of nationalities employed		
8. % of employees under 25		
9. % of employees over 50		
10. Gender pay gap		
11. Disability employment %		
12. Legal proceedings on human rights		
SECTION 2 – HEALTH AND SAFETY		
1. Number of accidents as measured by Lost Time Incident Rate (LTIR)		
2. Share of operations covered by OHSAS 18001 or similar (relative to sales)		
3. Safety offering as a % of sales		
SECTION 3 – TRAINING		
2. % of employees receiving training		
3. Number of external individuals participating in safety training		
SECTION 4 – ENVIRONMENT		
1. Electric powered/low emission units in fleet		
2. Reduction in carbon emissions		
3. Reduction in waste		
4. Number of branches ISO 14000 certified		
5. Water consumption per € unit turnover		
6. Third party rating		
7. Legal proceedings – environment		
8. Environmental incident / near miss		
SECTION 5 – SUPPLY CHAIN		
1. % of suppliers signing up to sustainable supply chain Code of Conduct		
2. % of suppliers assessed on CSR		
SECTION 6 – ANTI CORRUPTION AND BRIBERY		
1. % of employees signing the business code of conduct		
2. % employees receiving business ethics/CoC training annually		
3. Violations of corruption or bribery		
SECTION 7 – CIRCULARITY		
1. % of equipment recycled by unit		
2. % of waste recycled by weight		
SECTION 8 – OTHER		
1. Fleet operator recognition scheme (FORS or local equivalent) certification per location		

KEY:

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

EUROPEAN
RENTAL
ASSOCIATION