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

For the period ending December 31, 2022

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

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities.

GOVERNANCE A – BOARD OVERSIGHT

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
Board oversight of climate-related risks and opportunities:	**OUR BOARD'S OVERSIGHT ROLE** **Strategic Oversight** Our Board actively oversees the development and execution of our strategies. These strategies encompass both financial and operational strategies, as well as strategies focused on capital allocation, talent development and executive succession, legal, strategic investments, and sustainability, including climate risk. Over the course of the year, management and our Board discuss the development and execution of our strategic plans as well as events that bear upon those plans. Our Board further monitors strategic execution through standing presentations at regular Board and Committee meetings and communications from management in between meetings. **Risk Oversight** The Board oversees our risk management with a focus on the most significant risks we face, including strategic, operational, financial and legal compliance risks. The Board's risk oversight process builds upon management's risk assessment and mitigation processes, which include an enterprise risk management program, regular internal management disclosure committee meetings, a code of conduct that applies to all employees, executives and directors, an ethics and compliance program and comprehensive internal audit processes. The Board's risk oversight role also includes the selection and oversight of the independent auditors. The Board implements its risk oversight function both as a Board and through delegation to Board committees, which meet regularly and report back to the Board. The Board has delegated the oversight of specific risks to Board committees that align with their functional responsibilities. Our Board, directly or through its committees, also oversees management of the following risk areas: ▶ **Accounting Risk**: The Audit Committee oversees our management of financial, accounting, and internal controls through interaction at each meeting with the Chief Financial Officer, management from our financial, accounting, and auditing functions (as appropriate) and representatives from our independent registered public accounting firm.	Proxy Statement	10 to 11

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

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
	▶ **Financial Risk**: The Audit Committee oversees our capital and liquidity risks through interaction at each meeting with the Chief Financial Officer and Treasurer. ▶ **Environmental, Social and Governance Risk**: The Nominating and Governance Committee oversees risks related to Board organization, membership and structure and other corporate governance matters. The Nominating and Governance Committee also oversees our environmental, social and governance ("ESG") and sustainability strategies, initiatives and policies through regular interaction and meeting with the Vice President, Sustainability, at least twice a year. **Environmental, Social and Governance** With approximately 360 branches across the United States and Canada, we are a member of a wide variety of communities, locally, nationally and globally. We seek to operate in each of our communities according to sound social and environmental practices. We approach our commitment from the framework of responsible value creation, the core tenets of which are: ▶ Prioritize the safety and well-being of our employees, customers and communities; ▶ Minimize and continuously seek to reduce environmental impacts associated with our business activities; and ▶ Align business practices and policies to reflect our responsibilities as a corporate citizen and to support mutually beneficial outcomes across stakeholder groups. The Board of Directors directly and through the Nominating and Governance Committee and the Compensation Committee oversee our ESG policies, practices and initiatives. We have established the Office of Sustainability to identify our ESG related risk and opportunities, and manage our ESG goals and initiatives, including the development and tracking of quantifiable metrics, and reporting on our progress toward our goals and initiatives. Our Vice President, Sustainability, regularly reports to the Nominating and Governance Committee. In furtherance of our commitment to our communities, we established the following 2030 goals (utilizing 2019 as the base year of measurement): ▶ Reduce the impact of Scope 1 and Scope 2 GHG emissions intensity by 25%; ▶ Reduce our non-toxic waste to landfill intensity by 25%; and ▶ Improve our safety metrics annually with the goal of 0.49 or less for the Total Recordable Incident Rate. We understand that transparent disclosure on our ESG commitments and initiatives is important to ensure that we remain committed to our goals and provide transparency on our progress to stockholders. Our annual Corporate Citizenship Report is central to our ESG disclosure. In this Report, we share our ESG goals, disclose our progress toward achieving those goals and document our progress on other important ESG initiatives. In support of our goals and our commitment to responsible management, we align our ESG reporting with the Global Reporting Initiative, while being mindful of the guidelines of the Sustainable Accounting Standards and the Task Force on Climate-Related Financial Disclosures reporting requirements.		
GOVERNANCE B – ROLE OF MANAGEMENT			
Describe management's role in assessing and managing climate-related risks and opportunities:	The Office of Sustainability oversees and collects ESG inputs from staff representing operations, environment, procurement, safety, human resources, risk management, information technology, and governance. From this collective staff, a 25+ person team forms the ESG Task Force and develops and tracks the quantifiable metrics, reports on the initiatives within their scope, and recommends potential goals, which includes climate-related risks and opportunities. The staff that makes up the ESG Task force and ESG Steering Committee monitor developments in climate-change related regulation for their potential effect on the company and our end markets. Our sustainability program seeks to mitigate our impact on the environment, including targets to reduce our GHG emissions.	Herc Rentals Sustainability	9 to 12 and 34

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

STRATEGY

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

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

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
Climate-related risks and opportunities the organization has identified over the short, medium, and long term:	**Climate change and legal or regulatory responses thereto may have a long-term negative impact on our business and results of operations**. There is increasing concern that a gradual increase in global average temperatures due to the concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant change in weather patterns around the globe and increase the frequency and severity of natural disasters. Climate change may also exacerbate water scarcity, negatively impacting our capability to deliver equipment that meets the safety and functional expectations of our customers as well as the health and safety of our employees. Increased frequency or duration of extreme weather conditions could impact our business and the demand for our equipment and services. An increase in demand for rental equipment may require additional capital expenditures in order for us to compete for such demand and we may not be able to make similar levels of investment as our larger competitors. In addition, in an effort to combat climate change, our customers may require our rental equipment to meet certain standards. If we are unable to meet such standards and the expectations of our customers, our business and results of operations could be materially adversely affected. In addition, the U.S. Congress and other legislative and regulatory authorities in the United States and internationally have considered, and likely will continue to consider, numerous measures related to climate change, greenhouse gas emissions and other laws and regulations affecting our end markets, such as oil, gas and other natural resource extraction. Should such laws and regulations become effective, demand for our services could be affected, our fleet and/or other costs could increase and our business could be materially adversely affected.	Annual Report Herc Rentals Sustainability	10-K: 16 33 to 34

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
	Further, investors are placing a greater emphasis on non-financial factors, including ESG factors, when evaluating investment opportunities. If we are unable to provide sufficient disclosure about ESG practices or if we fail to achieve ESG goals, investors may not view us as an attractive investment, which could have a negative effect on our stock price and business. **Climate-Related Opportunities** Sustainability experts believe that the passage of the Inflation Reduction Act in August 2022 will be one of the largest investments in combating climate change in US history. Combined with the passage of the Infrastructure Investment and Jobs Act and CHIPS and Science Act, these initiatives provide substantial opportunities for the company to provide fuel-efficient equipment to support the construction of these mega industrial and infrastructure projects. Our rental business model supports the circular and sharing economies by avoiding the purchase of equipment by our customers. This cost- and fuel-efficient alternative also avoids the incremental emissions related to manufacturing and is at the heart of our long-term growth strategy. **Environmental Action Plan to Achieve 2030 Goals** We have identified initiatives in each of the time frames below as part of our Environmental Action Plan: ▶ Short-term: 2019 to 2024 ▶ Mid-term: 2025 to 2028 ▶ Long-term: 2029 to 2035 In the short-term we have committed to three ESG goals where we see opportunity to reduce GHG emissions intensity and non-toxic landfill waste intensity over a 10 year or long-term horizon to 2030 from a 2019 baseline year. As we assess how effective we are at meeting annual reductions to achieve our 10-year goals, we can further develop longer-term goals based on identified climate-related risks and additional opportunities.		
Description of process(es) used to determine which risks and opportunities could have a material financial impact on the organization:	The Nominating and Governance Committee and the Audit Committee assists the Board in fulfilling certain of the Board's oversight responsibilities, and meet frequently throughout the year. The Nominating and Governance Committee reviews the Company's ESG and sustainability strategies, initiatives and policies and Corporate Citizenship Report at least annually and receives updates from the Company's Vice President, Sustainability on significant emerging ESG and sustainability trends that may affect the Company's business activities, performance or reputation. The Audit Committee reviews various aspects of company compliance as well as financial structure, short and long-term financing in both the public and private market and other financial matters of importance to the Company. Through their review process, the Audit Committee has multiple tasks, one of which is to discuss with management the results of the annual corporate risk assessment, the Company's major financial risk exposures, the Company's technology and information security risks, including cybersecurity, and the steps management has taken to monitor and control such exposures, including the guidelines and policies to govern the process by which risk assessment and management is undertaken. The risk factors are reviewed at least annually and reported on within the 10-K report to the SEC. Additionally, the Audit Committee discusses results of the annual risk assessment, the annual internal audit plan and commitment of internal audit resources with the Senior Director, Internal Audit for oversight of Internal Audit.	Proxy Statement	10 to 11

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

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks

RISK MANAGEMENT A - IDENTIFYING AND ASSESSING CLIMATE RELATED RISKS

Identifying and assessing climate-related risks:	The Company's Enterprise and Risk Management Committee (ERM), reviews potential risks to the organization's operations and financial results on a quarterly basis. Each quarter, the ERM asks its members to prioritize the risks facing the organization. The top 12 perceived risks then become the focus for mitigation actions. The ERM reports on its findings and recommendations to the Audit Committee at least once a year.	Proxy Statement	10-12

RISK MANAGEMENT B – PROCESSES FOR MANAGING CLIMATE RELATED RISKS

Processes for managing climate-related risks:	The Company is in the early stages of determining a process for identifying, assessing and managing climate related risks.		

RISK MANAGEMENT C – ORGANIZATIONAL INTEGRATION OF RISK MANAGEMENT PRACTICES

Organizational integration of risk management practices:	After the ERM identifies and assesses an enterprise risk, it determines the likelihood or severity of such a risk to the organization to then follow up with steps to mitigate or lessen its potential.		

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

METRICS AND TARGETS A – METRICS USED BY THE ORGANIZATION

Metrics used by the organization to assess climate-related risks and opportunities:	We disclose 1) energy consumption reported in megawatt hours of consumed fuel, natural gas, and electricity) and as intensity (MWh/$M in revenue), 2) greenhouse gas emissions intensity (MT CO_2/$M in revenue) of Scope 1 and 2 (market-based), 3) water consumption intensity (kilogallons/$M in revenue), and 4) waste intensity (metric tons/$M in revenue). Waste is further broken down to hazardous and non-hazardous, and what ratios were diverted, incinerated, or ultimately at a landfill. The recycled component is further broken down to type of material. We have identified some metrics for measuring Scope 3 GHG emissions (MT CO_2/$M in revenue).	Herc Rentals Sustainability	35 to 38

METRICS AND TARGETS B – SCOPE 1 & 2 GHG EMISSIONS AND SCOPE 3 GHG EMISSIONS

Disclose Scope 1 greenhouse gas (GHG) emissions:	119,071 MT CO_2e	Herc Rentals Sustainability	37
Disclose Scope 2 greenhouse gas (GHG) emissions:	11,194 MT CO_2e location-based and 12,960 MT CO_2e market-based	Herc Rentals Sustainability	37
Discuss Scope 1 and Scope 2 greenhouse gas related risks:	132,030 MT CO_2e market-based for Scope 2	Herc Rentals Sustainability	37

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
Additional comments:	Our methodology for calculating GHG emissions is provided in the GRI Index in response to GRI 302-3, 305-4, and the GRI 3-3 management of material topics for energy and emissions. A four-year trend of our Scope 1, 2, and 3 GHG emissions are reported in our 2023 Corporate Citizenship Report.	Herc Rentals Sustainability	37
Disclose Scope 3 greenhouse gas (GHG) emissions:	76,360 MT CO_2e To date, we report on three of the 15 Scope 3 metrics; fuel sold in rentals, third-party freight and business air travel.	Herc Rentals Sustainability	37-38
Discuss Scope 3 greenhouse gas (GHG) emissions and the related risks:	Energy consumption derived through external operations outside of our direct control is considered in our overall sustainability commitments. Currently, we have verified data for two areas of energy consumption contributing to our Scope 3 GHG Emissions, including business air travel and customer fuel consumption using our rented equipment. We previously included trace emissions introduced during the utility production and treatment processes as well as landfill and other waste disposal methods. The absolute values of these additional GHG emissions are minimal and would contribute less than 0.1% of our total Scope 3 GHG emissions, with the highest contributor being from water and wastewater treatment processes. We are in the process of verifying our third-party freight fuel usage. Based on a preliminary review of the third-party mileage, freight, and total customer fuel provided data, we estimate that this external operation contributes to 10% or more of our total Scope 3 GHG emissions. We reported an increase in our estimated Scope 3 GHG emissions in 2022 compared to 2021 by 49% in absolute values and 13% in intensity by revenue.	Herc Rentals Sustainability	37-38

METRICS AND TARGETS C – TARGETS USED BY THE ORGANIZATION TO MANAGE CLIMATE RELATED RISKS

TCFD Recommendation	Disclosure Statement and Key Points	References	Pages
Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets:	Consistent with our enhanced corporate focus on ESG, we established three major sustainability goals for 2030, using 2019 as our base year: 1) Reduce Scope 1 and Scope 2 greenhouse gas emissions intensity by 25% 2) Reduce non-toxic waste to landfill intensity by 25% 3) Improve safety metrics annually, with the Total Recordable Incident Rate (TRIR) reaching 0.49 or better	Proxy Statement Herc Rentals Sustainability	11 4
Additional comments:	The Compensation Committee of the Board selects Management Business Objectives (MBOs) that are aligned with our business purpose and are considered important to our long-term financial and operation performance and the health and safety of our employees. The MBOs selected by the Compensation Committee for 2022 were: (i) ESG – integrate ESG into corporate strategy; (ii) Information Technology – modernization and transformation of our information technology systems; and (iii) People and Culture – reduce turnover, increase internal promotions rate, and increase engagement.	Proxy Statement	24

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