United Rentals
Work United™

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE REPORT

RELEASED JULY 26, 2023

EXECUTIVE SUMMARY

United Rentals, Inc. ("United Rentals" or the "Company") partnered with a third-party firm in 2022 to conduct a climate risk and opportunity assessment and scenario analysis aligned to the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). The assessment involved collecting and analyzing both qualitative and quantitative data, including high-resolution climate data, and explored both physical and transitional risks. The physical risk assessment considered owned and operated facilities, such as branch locations. The transition risk assessment considered legal and policy, market, reputational and technology related risks. United Rentals engaged a diverse group of stakeholders across the organization for input and feedback regarding potential business impacts and risk response strategies via a combination of surveys, interviews and workshops.

Key questions used to guide the explorative scenario analysis were:

- What are the top physical and transitional risks and opportunities that may affect United Rentals' facilities, assets, people, and overall business?
- What are the potential financial and strategic implications for United Rentals if the future climate conditions described in a scenario came to fruition?
- What risk mitigation and response strategies are currently in place to address these potential impacts?
- What risk mitigation and response actions can United Rentals take to improve the resiliency of short and long-term enterprise strategic planning?

Consideration of these questions during the scenario analysis helped the Company generate a robust understanding of climate risks and opportunities for its business. Results from the scenario analysis and broader risk and opportunity assessment will be used to inform United Rentals' business strategy and risk mitigation processes going forward.

This report outlines United Rentals' governance, strategy, risk management and metrics and targets related to climate change in line with TCFD recommendations, and much of the report is informed by the climate risk and opportunity assessment and scenario analysis discussed above. For further information about our sustainability efforts, see our annual Corporate Responsibility Report.

IMPORTANT INFORMATION ABOUT THIS REPORT

For purposes of this report, we used the TCFD risk framework, which differs from our approach to the disclosure of risks in our filings with the U.S. Securities and Exchange Commission (SEC). The inclusion of information contained in this report should not be construed as a characterization regarding the materiality of that information for purposes of our SEC filings.

See also the "Cautionary Statement Regarding Forward-Looking Statements" section at the end of this report for important information on the use of forward-looking statements.

GOVERNANCE

a) Describe the board's oversight of climate related risks and opportunities

The Nominating and Corporate Governance ("N&CG") Committee of the Company's Board of Directors ("Board") holds primary board-level responsibility for oversight of the Company's policies and practices related to sustainability, culture and governance, including oversight of the Company's climate strategy and other climate-related issues.

The N&CG Committee's charter requires that the Committee meet at least one time per year to (i) review the Company's policies and practices with respect to environmental, social and governance ("ESG") matters, including environmental stewardship and climate-related issues, (ii) review current and emerging trends in corporate social responsibility matters that may affect the Company's business activities, performance or reputation and (iii) monitor the Company's progress towards its corporate social responsibility goals. In practice, the N&CG Committee receives regular reports on climate-related issues from management, including updates on the Company's climate-related strategy and progress toward its objectives and goals.

For example, in 2022, the N&CG Committee discussed climate-related issues at three of its four regularly scheduled meetings and made the decision to conduct a climate risk and opportunity scenario analysis aligned with TCFD. In addition, in October 2022, the N&CG Committee held a joint meeting with the Board's Strategy Committee to review and discuss the Company's sustainability strategy and various engagements the Company was working on with third-party advisors, such as the TCFD-aligned climate risk assessment and the development of a model to determine the environmental benefits of the Company's business. Regular reports to the N&CG Committee include updates from the Company's Sustainability Steering Committee (discussed later in this report) about the Company's progress in acquiring more low- and zero-emissions equipment in its rental fleet and non-rental fleet; actively engaging with customers and suppliers to meet the demand of sustainable equipment by sourcing more low- and zero-emissions equipment in years to come; developing and implementing its renewable energy strategy; and engaging with employees on sustainability matters. Earlier, in 2020, the N&CG Committee reviewed and discussed with management several alternative options for the Company's first greenhouse gas (GHG) emissions goal. After input from the N&CG Committee, the Company set the goal of reducing the Company's Scope 1 and 2 GHG emissions intensity by 35% by 2030, as measured against the Company's 2018 emissions intensity (the "2030 GHG Goal"). The Company later expanded the 2030 GHG Goal to include Scope 3 emissions from third-party haulers to allow for better comparability across reporting periods and provide a better representation of the Company's business.

In addition, the full Board and its other committees engage in climate-related discussions and consider climate-related issues as appropriate. For example, the Board's Compensation Committee has incorporated annual progress against the Company's 2030 GHG Goal, which covers GHG emissions intensity, as one ESG objective in its annual incentive compensation plan for the Company's named executive officers. The Board's Audit Committee oversees risks that could have a material effect on the Company, including any climate-related risks identified by the Company's Enterprise Risk Management Council ("ERM Council"), which is discussed later in this report. The Audit Committee has primary board-level responsibility for overseeing risk, and the N&CG Committee discusses and considers corporate responsibility risks, including climate-related risks, as appropriate. The Strategy Committee oversees the Company's overall business and innovation strategy, which increasingly involves sustainability and climate-related considerations.

b) Describe the management's role in assessing and managing climate-related risks and opportunities

A cross-functional core management team (the "Corporate Responsibility Core Team," also referred to as the "CR Core Team") consisting of the Company's Chief Administrative Officer ("CAO"); General Counsel and Chief Sustainability Officer ("CSO"); Vice President of Health, Safety & Employee Relations; Director of Environmental Management; Director of Inclusion & Diversity; and Director of Legal Affairs sets corporate responsibility objectives and strategy, which includes the assessment and management of climate-related policy, goals and risks. The CR Core Team is also responsible for preparing the Company's annual Corporate Responsibility Report.

In addition, in 2021, the Company established a Sustainability Steering Committee (the "Steerco") comprised of senior leaders and subject matter experts across the Company. Most members of the CR Core Team are also members of the Steerco. The Steerco's purpose is to provide high-level oversight of the Company's sustainability efforts and to ensure strong Companywide communication and coordination in the implementation of our climate strategy, including achieving our 2030 GHG Goal. It also helps the Company identify strategically important climate-related opportunities and executing on those opportunities. For example, the Steerco is focused on acquiring new sustainable equipment and monitoring new technology that could improve equipment or equipment solutions. The Steerco also monitors customer needs and aims to match supply and demand of the Company's sustainable offerings. It helped facilitate providing electric vehicles, such as Ford F-150® Lightning® Trucks and E-Transit™ All-Electric Vans, for a variety of projects for large customers. The Steerco's members are the Company's CAO, General Counsel and CSO and 11 other cross-functional team members. In 2022, the Steerco reviewed objectives for, and participated in, the TCFD-aligned climate risk and opportunity assessment through an educational session and interactive workshop. See the Risk Management section of this report for details about the TCFD-aligned assessment.

Members of the CR Core Team and the Steerco provide information to the Company's Senior Operating Committee, comprised of senior members of management including the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), CAO, SVP – Digital and Strategy and VP - Business Development. Additionally, the CR Core Team and the Steerco provide reports to the N&CG Committee. The CR Core Team is responsible for setting climate-related strategy and the Steerco ensures Companywide implementation of that strategy. Members of the Company's Legal Department participate in the CR Core Team and the Steerco. The Environmental Department, which is within the Legal Department, monitors progress toward the Company's 2030 GHG Goal and shares that progress with the Steerco, the CR Core Team and the N&CG Committee.

The ERM Council is responsible for assessing, mitigating and monitoring all risks confronting the Company, including climate-related risks. The ERM Council consists of the COO, CFO, CAO, General Counsel and CSO, Treasurer and ten other Senior Vice Presidents/Vice Presidents representing a broad range of Company functions. It collects input from its own members and others, including members of the CR Core Team and Steerco, and reports to the Audit Committee.

Further, in 2021, the Company created Planet United™, an employee resource group focused on fostering employee awareness, engagement and operational efficiencies related to environmental and sustainability matters. During 2022, Planet United focused on bringing awareness to key sustainability topics including waste reduction, recycling, air emissions and energy efficiency. This included Companywide promotion and additional emphasis at our region levels.

Management is informed about climate-related issues by participating in the Steerco, CR Core Team and ERM Council and by engaging with third party specialists and consultants. In addition, management is informed about environmental issues by the Company's Environmental Management Team in the field, including Branch Managers. The Environmental Department monitors annual progress toward meeting the Company's publicly announced 2030 GHG Goal as well as the Company's goals to reduce landfill waste and increase lighting retrofits, and also annual performance on various environmental metrics, as reported in the Company's annual Corporate Responsibility Report. The Environmental Department provides regular progress reports to the CR Core Team and the Steerco. The Environmental Department monitors other climate-related issues through discussions with various internal teams and external advisers, including internal and external legal counsel, ESG and renewable energy specialists and Company investors.

STRATEGY

a) Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term

b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning

Time horizons identified by United Rentals during the climate risk and opportunity assessment and scenario analysis were Short (present-2025); Medium (2025-2030); and Long (2030-2050). The Short and Medium time horizons identified generally align with the time frames used by the Company's ERM Council in defining enterprise risks. However, due to the chronic nature of many climate-related hazards, the Long time horizon identified here extends beyond the Company's typical enterprise risk management framework. The top risks and opportunities that were identified during the climate risk and opportunity assessment and scenario analysis and their related impacts are listed in the table that begins at right and continues on the next few pages.

	Risk type	Description	Impact
TRANSITION RISKS			
Renewable Energy and Efficiency Measures	Market	Increased electricity and other costs and investments to procure renewable energy to implement United Rentals' renewable energy strategy.	• Time horizon: Medium, Long-term • Likelihood: More likely than not • Magnitude of impact: Medium-low • Potential financial impact: Increased costs or potential cost savings could occur in either High or Low Carbon scenarios. As an example, savings could occur if the Company enters into a virtual power purchase agreement, and market prices for energy move in a way that creates positive cash flow.
Carbon Pricing	Policy & Legal	If more jurisdictions adopt carbon pricing, we may need to increase spending to decrease or offset carbon emissions. Further, carbon pricing may increase our overall costs due to increased costs throughout our supply chain. There is uncertainty surrounding the momentum and speed at which carbon pricing will be implemented in different regions of the globe. However, it was assumed in both the High and Low Carbon scenarios that additional long-term, carbon tax and emission programs will be introduced nationally and at a local level.	• Time horizon: Medium, Long-term • Likelihood: Likely • Magnitude of impact: Medium • Potential financial impact: Increased costs in High and Low Carbon scenarios
Cost and Availability of Raw Materials	Market	Potential climate-related hazards, changes in global demand, supply chain constraints, and local policy developments may increase costs or decrease availability of raw materials. Reduced availability of raw materials for production of products may increase costs and affect United Rentals' ability to meet sustainability and abatement goals. Although this item is framed as a risk for purposes of our assessment, we also recognize that United Rentals may benefit from these changes as the cost of ownership of equipment increases and our customers and prospective customers shift to renting equipment instead of owning equipment.	• Time horizon: Medium • Likelihood: About as likely as not • Magnitude of impact: Medium-low • Potential financial impact: Increased costs in a High Carbon scenario and cost savings in Low Carbon scenario • Note: Costs savings are predicted in the Low Carbon scenario because crude oil prices would be lower than present day prices given decreased demand, resulting in lower prices for a variety of products.

Note Regarding Physical Risks

We believe that the physical risks described below and on the following pages are largely mitigated by the Company having over 1,400 locations across the United States and Canada and a more limited presence in Europe, Australia and New Zealand. As a result, no one branch is material to the Company such that a natural disaster at that branch would have a significant impact on the Company's ability to operate. Also, the Company's rental assets are most often on-rent with customers at third party locations, which further diversifies locations where our assets are held. Also note that the potential financial impacts evaluated for the physical risks listed in this report did not account for any insurance proceeds that the Company may receive in connection with certain losses.

Extreme weather events do not produce "opportunities"; they produce loss and hardship. However, our services are an important means to assist communities that are rebuilding after an extreme weather event.

	Risk type	Description	Impact
TRANSITION RISKS (continued)			
Business Continuity, Strategy & Resilience	Technology	Ability for the Company to adapt to changing business conditions, such as sudden increased demand for disaster recovery equipment, extreme weather impacting facilities and assets, and shifting consumer demand. United Rentals has experienced and responded to numerous climate disasters in the past and has used these experiences as opportunities to learn and improve its disaster response. However, United Rentals recognizes that climate change is likely to increase the frequency and intensity of extreme events in both the High Carbon and Low Carbon scenarios, increasing the difficulty of response to compounding disasters. For each of the sampled United Rentals locations, the expected probability of at least one extreme weather event (defined as wildfires, severe storms, extreme winds, or flooding) was calculated based on high-resolution climate data for the relevant year and scenario.	• Time horizon: Short, Medium, Long-term • Likelihood: More likely than not • Magnitude of impact: Medium-low • Potential financial impact: Incremental revenue loss or gain possible in both High Carbon and Low Carbon scenarios
PHYSICAL RISKS			
Extreme Precipitation	Acute	Extreme precipitation events can cause local flooding conditions, change local water availability, cause local soil erosion, or increase the probability of disruptions to transportation, distribution and supply chain. Changes to the frequency and intensity of extreme precipitation events does not necessarily equate to increased risk of flooding. However, flood events and increased facility maintenance as a result of increased precipitation intensity are anticipated.	• Time horizon: Short, Medium, Long-term • Likelihood: More likely than not • Magnitude of impact: Medium-low • Potential financial impact: Incremental costs due to property damage in both High and Low Carbon scenarios • Note: There is not a significant difference in extreme precipitation forecasted for United Rentals locations between a High and Low Carbon scenario up to 2050, as the most significant changes in climate scenarios occur after 2050.

PHYSICAL RISKS (continued)

	Risk type	Description	Impact
Rising Mean Temperatures	Chronic	Rising mean temperatures can negatively impact employee health and wellbeing, increase cooling costs at owned facilities, strain the energy grid, and potentially increase costs of key raw materials due to productivity impacts. Mean temperatures will fluctuate annually and the impacts of the gradual expected rise in annual temperatures will most likely be felt at a seasonal level. This is most evident with the expanded length of the traditional cooling season (i.e., more days with summer-like temperatures) in the southeastern United States and a gradual contraction of the warming season (i.e., fewer days with winter-like temperatures). Although framed as a risk for this assessment, we also recognize that with changes to temperatures, the Company may be able to offset potential losses by serving more customers in need of equipment during the expanded cooling season.	• Time horizon: Medium, Long-term • Likelihood: About as likely as not • Magnitude of impact: Medium-low • Potential financial impact: Increased cooling costs in both High and Low Carbon scenarios • Note: Increased electricity costs due to rising mean temperatures are expected to be slightly larger in a High Carbon scenario as compared to a Low Carbon scenario up to 2050, but this difference is small. The most significant differences occur after 2050, when there are stronger diversions between a High and Low Carbon scenario for projected warming.
Severe Storms	Acute	Severe storms (e.g., hurricanes, thunderstorms) can disrupt facilities by causing damage and closures, increasing expenditures due to damage repairs and lost revenue due to business downtime. Changes to the frequency and intensity of severe storms are among the most difficult to forecast in a warming climate. Due to their localized nature and variety of associated hazards, such as hail, high winds, and tornadoes, it is difficult to assess direct impacts. However, as temperatures rise, the conditions necessary for the formation of severe storms are likely to increase and, as such, exposure to severe storms may also increase across United Rentals' footprint.	• Time horizon: Short, Medium, Long-term • Likelihood: About as likely as not • Magnitude of impact: Medium-low • Potential financial impact: Incremental costs from property damage in both High and Low Carbon scenarios • Note: Incremental increased costs due to severe storms are expected to be slightly larger in a High Carbon scenario as compared to a Low Carbon scenario up to 2050, but this difference is very small. The most significant differences occur after 2050, when there are stronger diversions between High and Low Carbon scenarios.
Wildfires	Acute	Wildfires can disrupt owned facilities by causing damage and closures, increasing expenditures due to damage repairs and lost revenue due to business downtime. Wildfires also have downstream effects on human health as a result of reduced air quality and water pollution. Wildfires are difficult to forecast in a changing climate due to their dual relationship with climate variables (drought and high heat) and human factors (built infrastructure, forest management). The size, scale, and magnitude of wildfires can also vary significantly by geographic region.	• Time horizon: Medium, Long-term • Likelihood: Unlikely • Magnitude of impact: Medium-low • Potential financial impact: Increased costs from property damage in both High and Low Carbon scenarios • Note: Incremental increased costs due to wildfires have almost no difference between a High Carbon and Low Carbon scenario up to 2050. Results between the scenarios do not begin to vary significantly until the latter half of the century.

	Risk/Opportunity type	Description	Impact
PHYSICAL RISKS (continued)			
Heat Waves	Acute	Extreme heat can negatively impact employee health and wellbeing, increase cooling costs at facilities, and strain the energy grid. It is important to note that the increased frequency and intensity of heat wave events in geographies that have historically not experienced long-duration heat events (e.g., northeastern United States) will be more vulnerable and less resilient to the potential impacts. However, even in areas that are more accustomed to extreme heat (e.g., southwestern United States), aging infrastructure will likely lead to downstream impacts to business operations. As with rising mean temperatures, we also recognize our ability to offset negative potential financial impacts through serving more customers as a reliable supplier of critical equipment during times of extreme heat.	• Time horizon: Medium, Long-term • Likelihood: Likely • Magnitude of impact: Medium-low • Potential financial impact: Increased incremental cooling and other costs and lost revenue due to productivity challenges from extreme heat events • Note: Incremental costs due to extreme heat events begin to increase in a High Carbon scenario starting in 2040, as compared to a Low Carbon scenario. By 2050, financial risk in a High Carbon scenario due to extreme heat stress is more than two times larger than a Low Carbon scenario due to severity and frequency of extreme heat events as compared to a regional baseline. This trend continues through the latter half of the century, accelerating the discrepancies as High Carbon scenario heat stress accelerates more rapidly than in a Low Carbon scenario.
OPPORTUNITIES			
Fleet Electrification	Market	The fleet electrification opportunity refers to the potential cost savings opportunity from electrifying a portion of United Rentals' non-rental fleet. The savings identified represent incremental savings that would be achieved from the baseline assumption that United Rentals will continue to invest in new models to improve its non-rental fleet in the normal course (e.g. vehicles with aerodynamic improvements, engine efficiency improvements) and are forecast to begin in the year of initial investment. Investing in electric non-rental fleet in the Low Carbon scenario will likely lead to higher cost-effectiveness and result in a decreased capital expenditure per metric ton CO_2e abated compared to the High Carbon scenario.	• Time horizon: Medium, Long term • Likelihood: More likely than not • Magnitude of impact: Medium • Potential financial impact: Costs savings from electrifying non-rental fleet • Note: This analysis focused on the electrification of our non-rental fleet. However, we will have to evaluate other low- and zero-emissions alternative fuel options for our non-rental fleet to be able to meet our 2030 GHG Goal and other climate-related objectives. We plan to evaluate a broader set of alternative fuel option opportunities in future climate risk and opportunity assessments.

c) Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2.0°C or lower scenario

SCENARIO ANALYSIS

United Rentals performed an exploratory climate-related scenario analysis in its risk and opportunity assessment in line with TCFD guidance and chose two scenarios – a High Carbon and a Low Carbon – to analyze its business for climate-related risks and opportunities. Based on the latest climate science, United Rentals chose to assess climate risks using Shared-Socioeconomic Pathway scenarios that were deemed in-line with United Rentals' goals and realistic future outcomes. In assessing physical chronic and acute risks, the Low-Carbon scenario was defined by the SSP1-2.6 pathway and the High-Carbon scenario was defined by the SSP2-4.5 pathway. SSP1-2.6 is aligned with the 2.0°C warming limit defined by the Paris Agreement, while SSP2-4.5 follows a slower, less accelerated decrease in emissions that results in warming of 2.7°C by the end of the century. United Rentals recognizes that additional best-case and worst-case scenarios are possible, albeit unlikely, given current policy initiatives and chose SSP1-2.6 and SSP2-4.5 to stress test the most likely situations to occur and impact its business.

The chosen scenarios were selected because they present two plausible future states for United Rentals to compare its business operations against, assess the materiality of climate-related risks and opportunities, and evaluate the potential impacts to the business. In addition, the scenarios are peer-reviewed, issued by an independent organization, and supported by publicly available data sets. By looking at both a High and Low Carbon scenario, United Rentals was able to determine the breadth of potential impacts resulting in alternative rates of decarbonization and emission-reduction ambition, which will result in differing financial and strategic implications.

In response to the TCFD analysis results, United Rentals will increase engagement with key internal and external stakeholders to explore opportunities for additional mitigation measures to reduce impact from the top identified risks and to further evaluate the top identified opportunities. For example, United Rentals will continue to monitor market prices and requirements around renewable energy market mechanisms and low-carbon fleet and assess opportunities to scale these mitigation measures. In addition, United Rentals will continue engagement by discussing current and potential site-level mitigation measures, partnering with customers on how United Rentals can support them with the transition to low-carbon fleet, and engaging with suppliers to stay informed on technology and regulations.

RISK MANAGEMENT

a) Describe the company's processes for identifying and assessing climate-related risks

As discussed earlier, in 2022, we worked with a third-party to conduct a climate risk assessment and scenario analysis aligned with TCFD recommendations. First, we identified key stakeholders across multiple business units and corporate departments, and a list of risks and opportunities likely to be relevant to United Rentals' business.

We then collected and analyzed data with a mix of quantitative and qualitative methods. The team used high-resolution climate data to model the likely exposure of United Rentals' representative locations, prioritized by revenue and asset value, to physical risks (precipitation, heat waves, mean temperature rise, extreme wind, wildfire, flood, sea level rise, drought and cold). For transition risks, our team ranked market, technology, reputation, and policy-legal indicators on a scale of 1-5 for the level of impact and United Rentals' adaptive capacity to the event if it were to occur. We also discussed which indicators may materialize as an opportunity and interviewed internal stakeholders for the top risks and opportunities from their respective business units and corporate departments, including sustainability, fleet management, finance, real estate, sales and operations, legal, strategy, and ERM Council members.

Using historical climate data, future projections, stakeholder interviews, and surveys, the team prioritized a list of climate indicators into the top ten risks and opportunities that are likely to present the largest financial, strategic, and environmental impact to the Company.

The quantifiable measures we use to determine impact on our business include, among others, changes in revenue, changes in used equipment sales or total original equipment cost ("OEC") on rent, potential financial impacts due to loss of productivity to our people, property damage, and additional expenses.

The Company prioritizes risks based on the likelihood and impact and prioritizes opportunities based upon several factors, including the availability of low- and zero-emissions equipment for our rental fleet, the availability of low- and zero-emissions sales, service and delivery vehicles for our non-rental fleet, the cost of such equipment and vehicles and the contribution toward the Company's 2030 GHG Goal and overall climate objectives. The Company recognizes that its approach will need to be flexible based on the availability and costs of solutions and that its strategies may need to be revised to reach its 2030 GHG Goal and other objectives.

During the TCFD climate scenario analysis, United Rentals engaged stakeholders throughout the process to understand how climate risks and opportunities are thought about across business units and corporate departments. An interactive workshop was conducted to assess how stakeholders understand the risk drivers, impacts, mitigation measures, and responses to the top physical and transitional risks. Stakeholders were provided the opportunity to learn about the complexities of climate risk and worked collaboratively to identify opportunities for improved internal communication to reduce risk and seize opportunities in our changing climate.

b) Describe the company's processes for managing climate-related risks

As a forward-thinking company, United Rentals recognizes the importance of managing climate-related risks and opportunities to ensure the resilience and long-term sustainability of its business. The Company views climate risk management as an integrated endeavor that addresses the interconnectedness of physical and transitional risk rather than siloed indicators.

Physical risks such as acute weather events are tracked by the Company's Emergency Operations Center ("EOC"). The EOC tracks emergency situations that could affect operations and can mobilize resources to mitigate the physical risks, including relocating employees and equipment where possible and deploying employees from other locations to assist with operations, as needed. For example, within a two week period in 2022, Florida, Georgia, South Carolina and North Carolina were hit by a powerful Category 4 hurricane and Puerto Rico and Eastern Canada were hit by another powerful hurricane. Despite the quick succession of the storms and the size of each storm, the EOC was still able to successfully respond and minimize risk. Looking ahead, the EOC focuses on continuous improvement to enhance its risk mitigation strategies. For example, in 2022, the EOC enhanced its emergency response capabilities with new digital tools for weather intelligence and communication.

Additionally, United Rentals has been able to respond to transitional risks. In order to meet the demand for low-carbon or alternative fuel equipment, the Steerco has been focused on procuring more low- and zero-emissions equipment for the Company's rental fleet. Similarly, United Rentals is also engaging its suppliers to encourage them to develop alternative fuel equipment. The Company also considers a range of climate-related laws and regulations that could be adopted by the U.S. federal government and certain U.S. states, countries and regions in developing its strategies for climate change.

Looking ahead, we will continue to identify ways to mitigate and adapt to the potential impacts of climate change, related to both the increased frequency of extreme weather and the transition away from fossil fuel usage. We will also continue prioritizing internal and external stakeholder engagement and identifying opportunities to further integrate climate risk into our enterprise risk management and our long-term strategy. Additionally, we hope to further identify and strengthen existing partnerships with customers and suppliers to create opportunities around low-carbon and climate-related technology. By continuing these engagements, we can further ensure that we are prepared to meet the challenges and opportunities of a changing climate. We are also focused on improving climate-related data collection processes to ensure we have up to date information informing our strategy as well as key data and evidence used in the scenario analysis.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management

The Company's approach to identifying, assessing and managing climate-related risks occurs within a broader risk management program.

The ERM Council uses a structured risk identification and assessment program. Through its risk assessment process, the ERM Council ranks risks, including climate risks, and uses several quantifiable measures to assess the impact of climate-relates risks to the Company. The ERM Council determines the relative significance of climate-related risks in relation to other risks by assessing the relative likelihood and severity of impacts flowing from each risk and placing them in a hierarchy of risk with "heat maps" and other tools. In 2021, the ERM Council added a new "ESG Sustainability" risk to track measurable climate and sustainability-related risks.

As noted earlier in this report, the Company worked with a third-party to conduct a climate risk assessment and scenario analysis aligned with TCFD recommendations. The CR Core Team oversaw that engagement, with input from the Steerco and from members of the ERM Council. Results from the engagement were shared internally, including with members of the ERM Council, and will be incorporated into the ERM Council's normal course risk identification and assessment program discussed in the preceding paragraph.

In addition, the EOC focuses on identifying and managing more immediate operational risks, including climate-related risks associated with severe weather events, and effective management of key operational risks. See discussion of EOC in the preceding section.

METRICS AND TARGETS

a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process

The Company measures:

- absolute Scope 1, 2 and 3 GHG emissions;
- GHG emissions intensity, defined as metric tons of CO_2e per million dollars of revenue for Scope 1 and 2 emissions and Scope 3 emissions from third party hauling;
- total energy consumption, including electricity, natural gas, diesel and gasoline;
- energy intensity, defined as MWh per million dollars of revenue;
- percent of rental fleet that is electric or hybrid; and
- percent of waste diverted from landfills or recycled

b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks

See the Company's annual Corporate Responsibility Report for Scope 1, 2 and 3 emissions.

c) Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets

The Company has a target to reduce its GHG emissions intensity by 35% by 2030, compared to 2018. The target, which is referred to in this report as the 2030 GHG Goal, initially covered Scope 1 and Scope 2 GHG emissions intensity. After completing a full Scope 3 emissions inventory in 2021, the Company expanded the target to also cover Scope 3 emissions from third-party haulers.

See the Company's annual Corporate Responsibility Report for performance against the 2030 GHG Goal and other environmental goals.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains statements that United Rentals believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including, without limitation, statements regarding United Rentals' future business strategy, targets, goals (including but not limited to our 2030 GHG Goal and our other corporate responsibility goals) and plans and objectives for future operations, are forward-looking statements. When used in this report, words such as "may," "will," "expect," "should," "likely," "intend," "estimate," "anticipate," "believe," "explore," "goal," "target," "project" or "plan" or the negative thereof or variations thereon or similar terminology are generally intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond United Rentals' control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause our results to differ from the forward-looking statements include global sociodemographic and economic trends, energy prices, climate-related conditions and weather events, legislative and regulatory changes, technological innovations and other unforeseen events or conditions. Additional information concerning these factors is contained in United Rentals' filings with the SEC, including, without limitation, United Rentals' Annual Report on Form 10-K for the fiscal year ended December 31, 2022. All forward-looking statements speak only as of the date of this report. This report is for fiscal year 2022, and data reported is for fiscal year 2022 unless otherwise noted.

OTHER DISCLOSURES

This report discusses the Company's climate risk and opportunities assessment and scenario analysis. There are inherent challenges in modeling future risks and opportunities along uncertain scenario projections, and the results and information discussed herein are indicative of estimations of future risks, as it is impossible to predict with certainty what future climate risk will look like. United Rentals' assessment and analysis used publicly available, peer-reviewed data, but also used assumptions to compensate for lack of publicly available or robust data, including assumptions on United Rentals' energy and material usage from historical trends and current climate targets. Further, certain information used in the climate risk and opportunities assessment and scenario analysis was obtained from published sources or third parties. The accuracy and completeness of such information are not guaranteed. Although United Rentals believes such information is reliable, such information is subject to assumptions, estimates and other uncertainties, and United Rentals has not independently verified this information. The standards of measurement and performance for climate-related issues are developing or are based on assumptions, and norms may vary.