



ERA Carbon Reporting Guidance

IMAGE SOURCE: The European Rental Association (ERA)

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The **European Rental Association (ERA)** has today published comprehensive sectoral guidance for rental companies on **reporting corporate carbon emissions** across Scopes 1, 2, and 3. This document provides a standardized framework for the industry to establish an equipment rental company carbon footprint.

Measuring and reporting on carbon emissions are becoming key concerns as stakeholders, from clients and investors to regulators, are now demanding transparency, sustainability targets, and climate impact breakdowns. While the current landscape lacks a unified methodology for calculating the carbon footprint of equipment rental companies, compliance with the EU's Corporate Sustainability Reporting Directive is imminent for larger companies operating in Europe. For small and medium rental companies this will become a point of attention in the medium term.

Michel Petitjean, Secretary General of the ERA, emphasized the global significance of the guidance, stating, "With this initiative we are taking a pioneering step to help equipment rental companies not only in Europe but worldwide, to accurately measure and report about their carbon footprint in a fair and harmonized way. Ultimately it will also allow to quantify the contribution of the equipment rental sector to the fight against climate change."

Douglas McLuckie, Chair of the ERA Sustainability Committee, also highlighted the critical nature of the guidance for the sector, remarking, "The equipment rental industry plays a crucial role in the construction and other sectors, which is why it needs to be able to deliver the data on carbon footprint to the customers and public authorities alike. The ERA guidance will help rental companies to do that in a way that is transparent and agreed upon by the whole industry".

Tailoring the GHG Protocol for the rental industry

Steered by the ERA Sustainability Committee and developed by KPMG, the global professional services firm, the guidance, offers a step-by-step methodology for calculating corporate CO2 emissions in Scopes 1, 2, and 3. Drawing from the established GHG Protocol, this report tailors methodologies to specifically address the rental industry's unique value chain. By aligning with the Greenhouse Gas Protocol, the ERA guidance ensures that users follow established standards while receiving sector-specific insights not available elsewhere. Whether a company is embarking on its carbon reporting journey or seeking to align with an industry best practice, this report provides concrete and actionable steps. It offers detailed guidance, data sources, and specific formulas for GHG emission calculations.

The guidance report delves into direct emissions (Scope 1), indirect emissions from purchased energy (Scope 2), and all relevant categories of Scope 3. Special emphasis is placed on the most significant emission sources for the rental industry. The guidance offers tailored calculation formulas to quantify emissions while allowing flexibility to adapt to data availability.

The equipment database – a starting point for a common and consistent industry resource

The second pillar of ERA's project introduces a valuable resource –the ERA rental equipment benchmark. As accurate emission estimation relies on specific equipment data, which today remains elusive, rental companies turn to approximations with a lack of relevant sources. The database addresses this matter by

serving as a reference. It draws on industry-specific data provided by rental companies, OEMs, and lifecycle assessment analyses. Beyond carbon reporting, the database equips rental companies with a tool to respond to client inquiries about project-specific emissions. Utilizing this resource ensures consistency across the industry.

By embracing standardized methodologies and leveraging the equipment database, the industry can collectively advance toward its sustainability objectives. The guidance outlines clear methodologies for measuring and reporting emissions, encouraging consistency and comparability across the industry. It is designed to be accessible for all rental companies, regardless of size or experience with carbon accounting.

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