



**Application completed by:**

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**Overview of Hertz Corporation:**

- a) *The Hertz Corporation, a subsidiary of Hertz Global Holdings, Inc. (NYSE: HTZ), is the world's largest airport general use car rental brand. Combined with the Dollar and Thrifty brands, the company operates from approximately 11,500 locations in approximately 145 countries worldwide. Hertz also operates one of the world's largest equipment rental businesses, Hertz Equipment Rental Corporation, through approximately 335 branches in the United States, Canada, China, France, Spain, and Saudi Arabia, as well as through its international licensees. Hertz also owns Donlen Corporation, a leader in providing fleet leasing and management services.*
- b) *Our Mission is to be the lowest cost, highest quality, and most customer focused rental company in every market we serve, creating value for our shareholders. We will achieve our Vision and Mission by focusing on, and balancing, customer satisfaction, employee satisfaction, and asset management, with equal emphasis on efficiency and growth.*

*Doing the right thing in every aspect of our business is the expectation at Hertz, both in policy and practice. The Hertz Standards of Business Conduct and the Hertz Sustainability Policy outline the scope and standards of excellence we use to gauge our programs, decisions, and interactions with stakeholders. Our company values are the cornerstone of our business. These principles guide the way we manage our business, engage with stakeholders, invest and plan for the future. The Company's values are: Professionalism, Passion, Respect, Responsibility, Integrity, Innovation, Diversity, Discipline, Excellence, and Execution.*

- c) *Hertz' top three processes, tools or practices to enforce ethical behaviors*
- *Standards of Business Conduct – Hertz' Standards of Business Conduct is a robust, yet user-friendly, document outlining not only what ethical business conduct entails, but also providing helpful Questions & Answers for potential real-life occurrences. The Standards are available in eight languages to ensure that all employees within Hertz' global workforce are able to acknowledge that they have read and will comply with the policy. The policy is available within the Hertz Policies & Procedures database, as well as on the Law and Internal Audit internal websites.*
  - *Annual Code of Conduct Survey – On an annual basis, all salaried employees are required to report situations that may be a conflict of interest or that reflect conduct contrary to Hertz's Standards. As part of the survey, the employee is required to acknowledge that they have read the Standards and believe they are complying with them. Any potential conflicts of interest or other violations of the Standards are investigated by the Internal Audit Department.*
  - *Business Ethics Training – Hertz Standards of Business Conduct training covers the guidelines, principles, and best practices that employees need to know to comply with Hertz's Standards of*



*Business Conduct (or Code). Following the same topic areas as the Code itself, this web-based training presents detailed information about each subject area and then uses realistic scenarios to illustrate appropriate and inappropriate conduct. Frequent knowledge checks throughout allow learners to test their understanding of the topic. All management employees are required to complete this online training.*



I. **Leading with Integrity**

A. *How do senior leaders' actions demonstrate their commitment to ethical behavior that goes beyond simple legal compliance? How do they promote an organizational environment that fosters integrity?*

Hertz Mission, Vision, and Values, including "Acting ethically, fairly, honestly and transparently" (see I.A.1), are widely published and reinforced throughout the Company via annual performance appraisals, Standards of Business Conduct Training, and the Annual Code of Conduct Survey:

- **Annual Performance Appraisals:** The Leadership Model Competencies (see I.A.2) are used to help reinforce our organizational culture and our Values. Behaviours that support our values are threaded throughout these competencies. The competencies describe specific skills, knowledge and behaviours that employees can use or develop to improve their performance effectiveness, which in turn positively influences the work environment. Growing in these areas can also translate into professional success and career advancement. The Hertz Leadership Model is part of the employee life cycle, a guide for recruitment, performance management and development. All people managers are evaluated on an annual basis on these core competencies, which includes Personal Accountability and Trust & Integrity. Appraisals are given through Hertz' PMED System, which enables a consistent approach across all business units and locations.
- **Standards of Business Conduct Training:** Hertz Standards of Business Conduct training covers the guidelines, principles, and best practices that employees need to know to comply with Hertz's Standards of Business Conduct (or "Code"). Following the same topic areas as the Code itself, the training presents detailed information about each subject area and then uses realistic scenarios to illustrate appropriate and inappropriate conduct. Frequent knowledge checks throughout allow learners to test their understanding of the topic. At the time of hire, managers are required to complete Standards of Business Conduct Training, which includes an acknowledgement that they understand and will comply with the Code (see I.A.3 and I.A.4). Hertz is also introducing a new component for managers in the Hertz' Performance Appraisal System in 2014 which requires that a manager ensure that all employees under his/her supervision have read the Hertz Standards of Business Conduct and have taken all online compliance courses, and requires that the manager meet with each employee at least twice a year to discuss Hertz's commitment to conducting business ethically and with integrity and actively encourage employees to come forward with any concerns or issue that an employee may have. The manager must acknowledge the obligations and accept the responsibility to carry out these tasks.
- **Annual Code of Conduct Survey:** On an annual basis all salaried employees are required to complete a survey to report situations that may be a conflict of interest or that reflect conduct contrary to Hertz's Standards of Business Conduct. Employees are also required to report any changes in status during the year that may create a conflict of interest. Any potential conflicts of interest or other violations of the Code are investigated by the Internal Audit Department, with assistance from the Law Department and Human Resources, as needed. (see I.A.5)

B. *What systematic measures or indicators do you use to determine the effectiveness of your management team's efforts to promote ethical behavior? In other words, how do you know the efforts are truly working? (Please provide supporting data.)*

- **Code of Conduct Surveys:** As discussed in question A above, salaried employees are required to report compliance with the Standards of Business Conduct on an annual basis. The survey was sent to over 7,000 employees in 2011, over 9,000 employees in 2012, and over 8,000 employees in 2013. All reported conflicts of interest or potential code of conduct violations are investigated. The number of potential issues reported for three years were 568, 684, and 613 respectively, or approximately 7% of respondents. Of these, at least 99% of conflicts of interest reported had minimal concerns. Also, the number of potential violations of the code was less than 30 each year and continually declining (0.3%, 0.2%, and 0.1% respectively).
- **Hotline Reporting:** The Global Hotline is a mechanism in which employees may report violations of Company Policy or other concerns. The hotline is introduced to all new employees during the New Hire Seminar that all employees must attend. Posters are distributed to all Administrative buildings and field locations. The reports are rated for severity and categorized by type. All reports are reviewed and actioned appropriately. On a quarterly basis, these reports are reviewed with the Chairman of the Audit Committee, the General Counsel, and the Vice President of Internal Audit. Analysis of the Hotline reporting shows increased awareness amongst Hertz's employees of the availability of the hotline.



- **Safety Recalls:** In 2012, Hertz was the first rental car company to sign the pledge, proposed by Senator Barbara Boxer, to not rent or sell vehicles with a safety recall until the defect has been remedied. Hertz has taken significant steps to ensure the pledge is upheld, by reviewing manufacturers' websites for potential recalls, implementing monitoring reports to ensure all defects are addressed, ensuring the rental system will not let a vehicle with a defect be rented, and working in conjunction with our preferred auction vendors to stop the sale of any vehicle should a recall arise ([see 1.B.1](#)).



**II. Cultivating an Ethical Culture:**

**A. Please provide a definition of ethical behavior as it relates to your organization. Explain how you arrived at your definition.**

Doing the right thing in every aspect of our business is the expectation at Hertz, both in policy and practice. The Hertz Standards of Business Conduct (see II.A.1) and the Hertz Sustainability Policy outline the scope and standards of excellence we use to gauge our programs, decisions, and interactions with stakeholders (see II.A.2). The Standards of Business Conduct outlines what Hertz management considers ethical behavior, including that employees should never “bend the rules” and that while Hertz wants to win the competitive battles we fight, that does not mean winning at any cost. Hertz employees should treat each other with dignity and respect and deal fairly with our business partners and customers. The key sections within the standards are:

- We Treat Our Customers and Business Partners Right
- We Treat Each Other and Hertz Right
- We Comply with the Laws Governing Public Companies
- We Engage in Proper Business Practices and Protect the Environment

**B. Please describe the ethical principles and values of your organization.**

As a publicly traded company, we are subject to many laws in all countries where we do business. Equally important is our commitment to ensuring that we conduct our business with ethics and integrity each and every day, irrespective of whether a particular law requires us to do so. Simply stated, acting ethically is good for business. Indeed, it is a competitive advantage as it protects our brand and reputation in the marketplace. But how do we know what is expected of us? Our Standards of Business Conduct — our Code—is our guide. It shows us how to make ethical decisions, and lets us know when we should ask for further guidance. Our Code points us in the right direction— the ethical direction.

The Hertz P.R.I.D.E. (see I.A.1) value of Integrity (see below), which we define as ‘acting ethically, fairly, honestly and transparently’ permeates throughout the Hertz culture and keeps us focused on the importance of transparent, open and honest communication between management and employees.

- P - Passion & Professionalism
- R - Respect & Responsibility
- I - Innovation & Integrity
- D - Diversity & Discipline
- E - Excellent & Execution

Management effectiveness with leadership initiatives is supported and reinforced through our Leadership Journey, Performance Management process, Leadership Competencies and Pathways to Leadership learning curriculum. The Leadership Journey, for example, has at its core a team-based ethos for ‘Creating a healthy high-performance team’ which includes the topic of ‘The importance of openness, trust and collaboration on a team’.

**C. Describe your organization’s employee selection process. In other words, how do you ensure your organization is recruiting individuals whose values meet high ethical standards?**

One of the first steps in the recruiting process is the hertz.jobs website. The website includes a page for the Hertz Vision, Mission, and Values (see II.C.1). All job postings on the web page advise that all employment is contingent on successful completion of background screening (including education, past employment, criminal background checks, and drug testing). Hertz also employs behavioral interviewing techniques, which are used to evaluate a candidate’s experiences and behaviors in order to determine their potential for success and their alignment with the Company’s beliefs and values. It requires the applicant to provide specific and detailed examples from past experiences.

Hertz utilizes various assessment tools aligned with the level of the position and in accordance with the desired Hertz values and the respective competencies for each position. Those assessment tools include People Answers, which we employ for our high-volume positions, such as Counter Sales Reps, Management Trainees, Location Managers, etc.; the Hogan test for mid-management and above; and the Ravens for the more analytical roles.

**D. What is your process for ensuring that the organization’s values are embraced by new employees?**

In 2009 Hertz developed and launched a company-wide welcome and integration process called “GO”, which stands for “Global On-boarding” (See II.D.1). This world-class process provides clarity to managers and new employees on the steps that they need to take to ensure that integration is highly effective. GO extends well beyond the traditional first few days after the



employee joins; starting from offer acceptance and continuing as long as six months. A primary goal of the program is to put our Hertz P.R.I.D.E values at the heart of the new hire experience. The program's features include:

- Information to managers on the direction and ownership that they need to provide in the on-boarding process
- A standardized Global Orientation Day that sets out the Hertz values and culture, including a review of the Standards of Business Conduct
- A standardized welcome pack for all new hires
- A buddy system for new hires, where appropriate
- Performance Review Meetings at 30, 60 and 90 days
- Varying by position, several web learning classes are required to be taken by new employees within four to five weeks

New managers are also required to take the Standards of Business Conduct Training course within Hertz Learning Connection web-learning site ([see I.A.4](#)).

**E. Describe your key process measures or indicators for enabling and monitoring ethical behavior throughout your organization, including interactions with your workforce, customers, partners, suppliers, and/or other stakeholders.**

**Silence Isn't Golden Posting:** To increase awareness of the global Hotline, Hertz rolled out Silence Isn't Golden and SafeCall posters to ensure that all employees are aware of the ability to report violations of Company policy, anonymously or otherwise ([see II.E.1 and II.E.2](#)).

**Employee Acknowledgement:** Employees are required to sign an acknowledgement that they have received a copy of the Hertz Standards of Business Conduct ("Code") and that they understand that they are responsible for knowing and following the principles and standards set forth in our Code ([see II.E.3](#)). Salaried employees are also required to complete this acknowledgement on an annual basis.

**Business Ethics Awareness Newsletter:** On a semi-annual basis the Internal Audit Department issues a Business Ethics Awareness Newsletter to all global employees (via an Intranet link). The newsletter provides information regarding Fraud Awareness, Fraud Reporting, and Fraud Detection and Guidelines ([see II.E.4](#)). Also, an annual Fraud Awareness and Training Quiz is distributed and prizes are awarded, based on random drawings, for those who get all questions right.

**Suppliers & Partnerships:** As we renew agreements with suppliers and business partners we are including an ethical practices section to ensure that those we do business with will maintain the same level of ethics and integrity expected of Hertz employees ([See II.E.5](#)).

**Global Leadership Conference** – Every year, Mark Frissora, Chief Executive Officer, hosts a 3-day conference for the top 400 managers from around the world. The interactive program is designed to educate and inspire company leaders — not only about the company's future direction but also about ways to be at their personal best more often. Character, ethics and integrity are included in at least one of the presentations and/or breakout sessions.

**F. How does your company monitor and respond to breaches of ethical behavior?**

Employees may report breaches of ethical behavior through several avenues, including a global Hotline (phone and internet), breaches of security reports, the annual Code of Conduct Survey, normal management reporting channels, as well as 'email Mark,' a direct line to the Chief Executive Officer (which can be anonymous). Appropriate investigations are performed for all breaches by Corporate Security, the Law Department, Internal Audit, and applicable management. Root cause analysis is performed, corrective actions are implemented (containment and permanent) and verified.

Senior management review of Breach and Hotline reports is performed as part of the Company's quarterly Internal Audit and Disclosure Committee meetings, as well as the quarterly Audit Committee of the Board of Directors. Also, in conjunction with the Board of Directors' meetings, the Audit Committee holds executive, independent, private sessions with the Sr. Vice President of Internal Audit, the General Counsel, the Chief Financial Officer, and the Public Accountants to ensure there is free and open discussions of any potential issues regarding the Company's activities.

Also, Internal Audit provides monthly trending reports on identified breaches of security to senior management. This trending includes an analysis of the number of reports, the dollar value of the losses, and the categories of loss, including year-over-year comparisons.

**G. How does your organization recognize and/or reward those employees, customers, vendors or partners who have gone "above and beyond" in their demonstration of highly ethical principles?**



**Leadership Awards:** The Hertz Leadership Awards Program is an annual initiative which recognizes 40 to 45 high performing Hertz employees worldwide. It is a core recognition tool in the US, where typically 25-30 US employees are recognized annually. Hundreds of employees are nominated by their peers, subordinates or managers each year. The Senior Management team draws up a shortlist of around 70 people. A team of Hertz executives chooses the winners based on the peer nominations and executive interviews. The criteria for nomination and selection go beyond accomplishing an important objective and include the demonstration of one or more of Hertz core P.R.I.D.E values. As a reminder, these are **P**assion & **P**rofessionalism, **R**espect & **R**esponsibility, **I**nnovation & **I**ntegrity, **D**iversity & **D**iscipline and **E**xcellence & **E**xecution.



### III. Forthright Communications

#### A. How does your company demonstrate open/transparent communication occurs throughout the organization?

The Hertz P.R.I.D.E. value of integrity, which we define as ‘acting ethically, fairly, honestly and transparently’ permeates throughout the Hertz culture and keeps us focused on the importance of transparent, open, and honest communication between management and employees (see I.A.1). The Hertz Leadership Model includes effective communication as a competency found in great leaders (see I.A.2). Below you’ll see some of the distinctive ways that information is shared between employees and managers at Hertz to ensure open and transparent communication.

**Management Communications Program:** Sharing information is top priority for our company Chairman and CEO, Mark Frissora. Since joining Hertz in 2006, Mark has consistently championed open and transparent communications. He regularly updates employees on the marketplace, accomplishments, and business strategies. Communication tools used by the CEO include: 1) quarterly webcasts, 2) town hall meetings to provide updates on business activity and to field live questions from attendees, 3) skip level meetings where employees have the opportunity to convey detailed questions, comments, concerns, etc., and 4) email updates. Between 7,000 and 9,000 employees watch each webcast live from one of 200 global locations or via post-live recordings made available through the Intranet and DVDs. At the end of each webcast, Mark opens the floor to the live audience to answer questions from around the globe. Employees feel the freedom to inquire about the company initiatives, political or economic landscape, Mark’s personal philosophies, industry competitors, etc. It’s clear that having direct communication with employees is a priority in our busy CEO’s agenda.

Following the CEO’s lead, the Senior Management Team (SMT) also conducts regular briefings with staff via webinars, town hall meetings, site visits, blogs, and department newsletters. These sessions allow the leaders to share business and strategy updates and employees to ask questions and contribute feedback. The SMT conducts over 150 skip level meetings each year. With an average of 10 employees per meeting, 1,500 employees have direct contact with a member of the SMT where their feedback is sought and acted upon. Communication responsibilities do not rest with senior management. Through their role modeling, managers are held accountable for having monthly meetings and regular communications with their staff, and are encouraged to be open and transparent at all times. Monthly field manager communication toolkits are specially prepared with key corporate and operational messages to help managers deliver news accurately, consistently, and with confidence.

**Hertz World Newsletter:** The Hertz World newsletter, issued quarterly, focuses on the achievements of teams and individuals from all departments. It encourages participation in charity or company-wide events; inspires new activities; and recognizes people’s achievements. Also, divisions and functional departments publish similar employee newsletters throughout the year.

#### B. How has the effectiveness of these communiqués been measured?

**Employee Survey:** Bi-annually, Hertz takes the “Pulse” of the workforce with a set of standard questions designed to gather employees’ views on how well the company is doing in key areas, such as strategy, leadership, and people development. On average, the participation levels are in excess of 85% and more than 40% of employees who take the survey also make additional comments. A key element of the Pulse survey is employee communication both before the survey but also, most critically, after the survey. Scores are shared widely and employees are often involved in exploring the reasons behind the scores as well as contributing ideas and solutions to make a difference. Employee feedback from the Pulse survey has influenced the development of forthcoming courses in our Management Development Curriculum, Pathways to Leadership including Building High Performance Teams, and Communicating with Purpose. Employees can keep informed about the Pulse survey via the dedicated Pulse website: Check Your Pulse. In Q3 2013, global participation was 80% with an overall score of 3.87 (out of a possible 5). This strong measure of employee satisfaction indicates that our actions and initiatives have a positive impact (see III.B.1).

**Staff Retention:** Just over 36% of our employees have careers with Hertz of over 5 years; just over 23% have careers of more than 10 years. Inspiration is woven into the fabric of our organization as we foster a culture where management inspires employees and employees inspire management.

**Exit Survey:** All employees leaving Hertz are offered the opportunity to complete an on-line Exit Survey. The survey includes questions to determine if the leaver would work for Hertz again and the reason for leaving. The survey also includes a free text field where the former employee may provide comments on potential ethics / misconduct issues. Survey results are addressed by local Human Resources teams (see III.B.2).



#### IV. Corporate Social Responsibility

**A. Describe your company's strategy with regard to issues of social responsibility or corporate philanthropy. In other words, how does your company identify which community activities to support?**

Hertz is committed to building stronger communities, being a positive influence for our neighbors, and being a good corporate citizen. Hertz takes its role as a steward of the environment and local communities seriously and has implemented a comprehensive global sustainability strategy called 'Living Journey.' With this program, we are committed to reduce the environmental footprint of our operations, green our vehicle fleet, engage our stakeholders and employees in sustainability best practices, and give back to the communities we serve. To accomplish these goals, we focus our strategy in the areas of community, environment, and smart mobility. Through training, communication, and toolkits, we are working to engage and build the capacity of every employee to be actively involved in all facets of the Living Journey initiative (see IV.A.1 and IV.A.2).

As a company, our philanthropic activities, whether employee participation or monetary, are chosen based on their alignment with our core beliefs and, therefore, are primarily concentrated, but not limited to, the following three areas: environmental responsibility, child safety, and education.

**B. What has been your company's direct impact on the community? In other words, please state how your organizations' involvement has made a difference. Provide an overview of your company's involvement in the community and benefits to the community.**

**Community:** At Hertz, giving back to the communities where we work and live is important. Providing financial and service contributions are small ways we hope to provide a lasting and meaningful contribution to our stakeholders. Specifically, regarding community involvement, Hertz and our employees give generously to the United Way®. The majority of those donations go directly back into the communities where we live and do business. Over the past 17 years, Hertz has proudly partnered with United Way® to help advance the impact of their work. Through employee volunteerism (on and off the clock) and donations of over \$9.9 million since 1996, Hertz and the United Way® are working together to provide concrete solutions to critical community problems, with tangible results to improve the lives of our neighbors in need.

We are also proud sponsors of the American Red Cross®, Make-a-Wish Foundation®, National Multiple Sclerosis Society®, Habitat for Humanity® and numerous local organizations. In addition to corporate sponsorship, many of the Hertz community service activity and non-profit programs are organized and supported solely by Hertz employee volunteers, donations, and time. One great example is the Oklahoma City Hertz employees who came together to assist their fellow employees as well as other Moore, OK citizens effected by the devastating May 2013 tornado. Many served as volunteers as well as created donation drop off sites for necessary items like clothing and water. Hertz employees have a long-standing tradition of supporting local community organizations through their volunteer efforts. Hertz in the Neighborhood and Hertz Headquarter Heroes are employee-driven programs developed to give back to the community through fundraising and volunteer efforts to support non-profit and philanthropic organizations.

More and more employee morale events are being run throughout the city via Hertz in the Neighborhood as employees wanted to get more involved throughout the city with committee and city agencies – such as Habitat for Humanity, Red Cross, Local Blood Drives, Local Food Banks, etc.

Hertz in the Neighborhood (HITN) is an Oklahoma City-based, employee-led initiative committed to building stronger neighborhoods, being a good corporate citizen, and being a positive influence on our neighbors. A group of 35 key employee volunteers arrange and plan a host of events and activities throughout the year focused on improving the quality of life in the local neighborhood (see IV.B.1 and IV.B.2). HITN activities include a Contributions team, who vet donation requests. Through HITN, donations have been made to Classen School of Advanced Studies PTSA, Down Syndrome Association of Central Oklahoma, March of Dimes, Oklahoma Bicycle Society Food Bank, The University of Oklahoma Scholarship Foundation, Santa Express, Village Fun Fair, etc. Volunteers donate their time to the following:

- Adopt a city street.....and clean it!
- Christmas Connection
- Habitat for Humanity
- Oklahoma City Opening Night
- Oklahoma City Memorial Marathon
- Regional Food Bank



The Hertz Headquarter Heroes (HQH) is a similar example of how our employees in Park Ridge, NJ not only help out the local community, but also make Hertz corporate headquarters a fun place to work for employees. Community and charitable efforts include an annual toy drive and holiday food drives to support the local food bank.

Hertz also sponsors the Great New Jersey Country Bike Ride in aid of MS each year. In 2013, Hertz employees raised nearly \$40,000 for MS through the Bike Ride (see IV.B.3). The HQH Team also holds an annual golf outing to benefit the NJ Chapter of the Make-a-Wish Foundation. Last year, the event raised \$220,000, granting twenty wishes for children with a terminal illness. Participants included more than 100 employees (both as golfers and volunteers), vendors, and local celebrities.

As already mentioned above, Hertz is also a large, corporate supporter of the United Way®, and each year the HQH hold numerous fundraisers, such as a Tricky Tray, bake sale, and 50/50 raffle, to support this charitable organization.

Efforts to extend these activities beyond Oklahoma City and Park Ridge have been successful. Our new Headquarters in Naples, FL, as well as our Dollar Thrifty subsidiary in Tulsa, OK have already started the process of establishing their own Hertz in the Neighborhood group and are very excited to start impacting their community.

**Environment:** Environmental sustainability is integrated throughout Hertz, from our car washes to the way we build our rental locations. It's part of how we do business, manage costs, and reduce our environmental footprint. We have teams focused on integrating environmental sustainability across Hertz. Our global sustainability team and individual employees/departments collaborate to implement projects and employee education programs to help manage operational environmental impacts such as energy efficiency, water conservation, and recycling. For example, a team of OKC employees in the payroll department worked together to implement e-systems to reduce paper and were able to reduce paper consumption by 5.2 tons a year, over 1,000,000 sheets.

Hertz is also affiliated with several organizations dedicated to improving the environmental quality of the world we live in. Through these affiliations, we learn, share ideas, and contribute to the important work of other companies, governments, and private individuals dedicated to sustainability. We are proud to be associated with groups including the Clinton Global Initiative, Waterkeepers, the Electric Drive Transportation Association, and the U.S. Green Building Council. In March 2013, we participated in Earth Hour and joined millions of people and companies across the globe in switching off non-essential lighting for one hour to observe Earth Hour, the world's largest public environmental action.

**Smart Mobility:** Hertz Smart Mobility rental choices are fuel-efficient, low-emissions and utilize alternative fuel technology such as hybrids, EV, clean diesel and CNG vehicles. Greening our fleet is a key focus of all Hertz sustainability efforts to reduce environmental impacts, provide customer value, and manage our business sustainably. Employees are trained to promote the advantages of these technologies, such as the Green Traveler Collection, which include hybrid vehicles, reservable by make and model. As new green vehicles become available in the Hertz fleet, employees are provided an overview of the environmental benefits to help them explaining the fuel type/savings and green benefits to customers. Equipment Rental employees are involved as well, and through their ability to promote greener technologies more than 92% of our newest earthmoving equipment utilizes low-emission technology.

**C. To what extent are employees actually engaged in the company's social responsibility activities?**

All HITN and HQH programs are run on a strictly volunteer basis. Members of these groups are contributing members of other departments, but find the time to devote that allows Hertz to be a positive influence in its different communities.

During 2013, approximately 400 Oklahoma City Hertz employees and family members volunteered their 2,000 hours of their time and energy to events to help those less fortunate than themselves in their local communities. Also, approximately 130 colleagues attended professional meetings facilitated through the Professional Program arm of HITN.

During 2013, Oklahoma City employees made pledges and donations over \$106,000 to the United Way®.



## V. Building Trust in Customer Relations

*How does your company monitor the effectiveness of customer relations, specifically as it pertains to handling of customer concerns in a forthright and fair manner?*

At Hertz we believe providing exceptional service begins with understanding the customer, and the needs of the customer have changed a lot in the past few years, and will continue to evolve. That is easy if you have the right culture in place. It is about selecting, training, and empowering people to do what they do best. It is about **recognizing achievements, establishing and monitoring goals, and holding people accountable**, but never forgetting to **celebrate successes**.

### Upholding customer satisfaction

Customer satisfaction is one of the three key pillars by which we drive our corporation. At Hertz over 30,000 customers a month tell us about their recent rental experiences, and we act on their input. We measure customer satisfaction daily through a Net Promoter Score (NPS), the toughest satisfaction rating system we could find. NPS allows customers to rank their rental experience with Hertz on 1-9 scale, 9 being the highest score (see V.1). Customers can also provide comments about their rental experience (see V.2). We rank among the top quartile of NPS companies, and are committed to being #1. Hertz local management teams hold meetings daily and weekly with employees to discuss these scores (see V.3) and work together to celebrate successes (see V.4), as well as develop creative actions aimed at continuous improvement.

### Member training and development

New customer service representatives complete a four-week classroom and two weeks on the floor training course. A final evaluation takes place to ensure the new representatives can accurately and consistently handle customer questions or concerns. After the 6 week course, the new representatives are supported by Team Mentors and their Team Performance leaders who guide them in transitioning from the classroom to the work environment.

All customer service representatives receive monthly development plans and weekly reviews with their Team Performance Leaders, detailing their strengths and areas for development. Specific action plans are put in place focusing on their areas of development and coaching sessions linked to the agent's individual needs. Coaching occurs weekly for new hires and as a minimum bi monthly for more tenured agents.

These one on one coaching sessions ensure our representatives are working diligently to provide first call resolution and to exceed customer expectations. All of our team Performance Leaders and mentors are certified coaches.

In addition to individual coaching sessions, we also conduct quarterly workshops focusing on specific call types and our SMILES program (see V.5 & V.6) which focuses specifically on improving the Customers experience.

### Resolving customer complaints

There are 3 avenues in which customers can contact us: 1) by phone where our goal is to resolve the customer's query immediately and secondly, 2) through written correspondence where we have an average response time of 5 days. (All written customer contacts are logged and tracked until resolution.) 3) We also handle Customer contacts that come in through Social media, Facebook and Twitter. Our response time for Facebook and Twitter is on average 4 hours or less.

To ensure customer queries are handled in a consistent, fair and effective manner, standard operating procedures and guidelines are in place for all customer contact types.

### Maintaining quality and measuring satisfaction

Each month, random selections of call evaluations are completed by our Team Performance Leaders in order to monitor the overall quality of the call and validate the company's compliance with policies and procedures, including protecting the privacy of customer information. This process helps ensure customer interactions are consistent and fair (see V.7 & V.8). All Customers are given the opportunity to complete a survey rating their overall experience with the Customer Service team. These surveys ask a series of questions, including some that focus on first contact resolution and the quality of their interaction.

These surveys are reviewed monthly and used in coaching to improve customer satisfaction. Employees are accountable for these customer satisfaction results (see V.9 & V.10).



## **VI. Looking to the Future**

### ***A. What are some of the major ethical issues that you anticipate your employees or organization will likely encounter in the future?***

At Hertz, we have made great strides over the past few years to improve on our Ethics program. With that said, we believe accountability to be an important ethical issue that we are striving to improve. With accountability, if it does not come from the top, it is really tough in an organization to be accountable for any situations that run counter to what the top managers want to hear. If someone wants to be accountable on the lower level, they have to know it will be welcome on the higher level.

### ***B. What proactive approaches are you taking now, or considering taking in the near future, so that your organization is better prepared to effectively handle these types of issues?***

At Hertz, we are proud of what we have achieved, and in the culture of ethics and integrity embedded in our values. One example of this is that we have formed an Ethics and Compliance Committee to push Hertz's culture of ethics throughout the organization, to make sure our training is standardized across the company, and to make sure our employees have easy access to the resources that they need. In doing so, we feel this promotes accountability across all levels of our organization. The Ethics and Compliance Committee oversees the Company's compliance efforts with respect to the Standards of Business Conduct and the detailed policy statements and standards that are designed to promote appropriate business conduct and minimize the likelihood that laws will be violated or criminal conduct occurs. The Compliance Committee also makes recommendations to the Audit Committee of the Board of Directors with respect to the formulation or reformulation of and implementation, maintenance and monitoring of Hertz's Standards of Business Conduct and detailed policy statement and standards.

The Committee also monitors the Company's Hotlines (US and International) and compliance training. We will also be introducing the "We Listen" Program in 2014 which will introduce the Compliance Committee Members as Advisors and will advocate an "open-door" policy. This program is similar to an informal ombudsman program where the members of the Committee (who are executives in key roles for Hertz) will take on the role of ombudsmen. The Advisors will have the primary duties of (1) working with employees in the Organization to assist them in providing guidance, and determining options to help resolve conflicts, problematic issues or concerns, and (2) to bring systemic concerns to the attention of the Organization for resolution. The Hertz program will enable employees to come forward with an issue when they might otherwise be afraid to do so. The Advisors will bring wisdom, established reputations for integrity and knowledge of organizational processes to their roles.

We will continue to provide training, monitor activity and be aware of ethics risks in all areas of our operations. We believe we have made good progress in developing our program, and will continue to be ever vigilant.