

Green Initiatives at The Hertz Corporation.



Hertz[®]

Executive Summary

Corporate Social Responsibility and Sustainability are important issues for The Hertz Corporation and its employees, customers and key stakeholders. As a car and equipment rental business, many of our processes and operations impact the environment. Given the nature of these industries, Hertz takes its role as a steward of the environment seriously and has established a Sustainability Program which acts as the cornerstone of the Company's environmental commitment.

Dedicated to minimizing the impact of its operations on the environment, Hertz enacted a proactive Sustainability Program which enables worldwide operations to strive for consistently sound environmental behavior. The objectives of Hertz's Sustainability Program are based on principles of preventing and minimizing environmental impact from its operations and promoting continuous improvement of the program, with the overall goals being:



- 1 The conservation of natural resources by minimizing the use of non-renewable materials, utilizing recycling services and implementing energy conservation practices.
- 2 Utilization of sustainable or recycled products and packaging wherever feasible.
- 3 Regular review of operations and programs to reduce waste and increase the efficient use of resources.
- 4 Provide customers with product and service options which promote sustainability objectives.

Additionally, Hertz has defined management's responsibilities in relationship to its Sustainability Program and, through increased awareness, advocates for employee, customer and stakeholder involvement. To ensure its program continually evolves, the Company:

- 1 Has established a process of ongoing review and analysis as the basis for continual improvement of its Sustainability Program.
- 2 Adjusts its program to comply with new regulatory requirements and to adopt best practices.
- 3 Makes available, to employees, customers and other stakeholders, annual updates regarding its sustainability strategies and progress.
- 4 Annually reviews and, when needed, adjusts its Sustainability Policy and Programs.



Worldwide

Hertz is the only rental car company to have its CEO endorse the “CEO Climate Policy Recommendations to G8 Leaders.” The policy signed by 100 CEOs and presented to Prime Minister Yasuo Fukuda of Japan on June 20, 2008, details how best to manage climate change after the Kyoto Protocol expires in 2012. This document was prepared in collaboration with the World Business Council for Sustainable Development and the Pew Center on Global Climate Change.

Hertz offers The Green Collection, which is a group of pre-selected vehicles that are fuel efficient and environmentally friendly. We have more than 35,000 vehicles that are reservable by specific make and model, including 5,000 hybrids. These cars have an EPA highway fuel efficiency rating of 28 miles or more per gallon (based on the 2008 model year).

Hertz also offers Connect by Hertz, a car sharing company that pro-

vides members the convenience of a car while shifting the fixed costs of car ownership to pay-as-you-go costs. Members are provided access to a fleet of vehicles distributed over a neighborhood or city with insurance, gasoline, maintenance and cleaning included in the membership usage charges. In addition to encouraging the use of mass and alternative transportation options; for every car sharing vehicle on the road, up to fourteen personal vehicles are taken off the streets.

In 2008, Hertz undertook a major initiative to manage and reduce energy usage at its locations in North America and Europe. Initial efforts have focused on Quick Hitters that are energy initiatives that can immediately address interior/exterior lighting, HVAC, and process loads (car wash, vacuum systems). Examples include HVAC Thermostat controls, LED exit signs, lighting occupancy controls, photocells, and time clocks.

North America

Hertz donated \$1 million to the United States National Parks Foundation in 2007/2008.

Hertz is working to incorporate the following design elements into construction specifications; innovative site management techniques, maximized energy and water efficiency, environmental life cycle based selection of building materials and the optimization of indoor environmental conditions. A concentrated effort is underway to train, educate, and qualify project management team members as LEED Accredited Professionals. Efforts are also underway to incorporate green design principles in ongoing contracts for janitorial, landscaping, lighting products, cleaning products and lease agreements.

Since 2004, Hertz has contracted with Redemtech to handle the disposal, through either resale or recycling, of our electronic (computer) equipment at all of our American facilities. Redemtech has a zero landfill policy and a zero export policy. Since the inception of this program close to 800,000 pounds of electronic equipment, 28,000 pounds of lead, 6 pounds of arsenic, 40 pounds of cadmium, and 10 pounds of mercury have been kept out of landfills.

Hertz is an “Energy Star Partner” in the USEPA Energy Management Program. As a partner, we set goals and standards for our buildings and the office equipment we purchase. Energy Star compliant office equipment including copiers, fax machines, and computers are specified for all Hertz facilities nationwide resulting in energy savings across the country.

Hertz continues to explore energy savings and currently has several pilot programs underway. The first program is an evaluation of a device that controls the car cleaning vacuum motor to match power output to vacuum loads. The second pilot program is an evaluation of a boiler control system. The controller matches the firing of the boiler to match more closely to the required heating loads in order to avoid wasted energy use. A third program is an evaluation of LED lighting in our Gold aisles.

In December 2008, Hertz initiated a Nap Time Program that shuts down all field monitors on desktop computers after 3 minutes of



inactivity. This energy saving initiative affects thousands of computers in the United States.

During 2002-2003, Hertz undertook a lighting replacement project at Headquarters that replaced the old bulbs with more energy efficient non-toxic lighting. A similar program is currently underway at our Oklahoma City facilities.

Formal recycling programs are in place for corrugated paper wastes and white paper at our Oklahoma City and Park Ridge Headquarters. Since its implementation in mid-2003, the recycling program at the Oklahoma City facilities have contributed to saving approximately 20,000 trees and 4,700,000 kilowatts of energy. Our program also saves countless gallons of water and decreases air pollution as well as landfill space. In 2007, our Oklahoma City location was recognized as a leader in recycling for its achievements and continuous efforts by our recycling vendor.

Hertz purchases 100 percent recycled, chlorine free paper products from our national janitorial supply vendor, including paper towels, tissues and napkins. Almost all of these products meet the rigorous EcoLogo standards which include minimum requirements for recycled paper, including post consumer content, sustainable forestry,



zero chlorine use, waste reduction, energy consumption, and air emissions. In summary, the EcoLogo certifies that the paper products we use are made with the efficient use of energy and fibers, with minimal environmental impacts from processes, chemicals, by-products, and emissions/discharges.

All paper used in Hertz's manual and licensee rental agreements is recycled paper having a content of 50% wastepaper/30% post consumer waste. Hertz rental jackets are printed on recycled paper having a post consumer content of 10%.

All of our commercial printing needs are done at printers that are certified by the Forestry Stewardship Council (FSC) under their chain-of-custody certification. This third party certification ensures that these companies utilize products only from an FSC certified forest. FSC sets high standards that ensure forestry is practiced in an environmentally responsible, socially beneficial, and economically viable way.

Hertz's design standards include the installation of automatic car washes that recycle 80% of wash water.

Hertz has banned the use of chlorinated solvents for many years at our maintenance facilities.

Hertz only contracts with vendors that will recycle our used oil. In 2008, more than 990,000 gallons of used oil were collected and recycled from our equipment and car rental facilities in North America. More than 500,000 gallons of the used oil is re-refined and processed into clean, clear, reusable premium base oil. The remainder of the oil was recycled through processing into an on specification used oil fuel for the residual fuel market. Re-refining reduces greenhouse gases and heavy metal emissions, while reducing our dependency on foreign oil. In addition, Hertz Equipment Rental utilizes USEPA certified waste oil heating systems to heat the shop areas at 42 of its northern climate locations to heat their shop areas.

In Canada, Hertz purchases re-refined oil for its car rental fleet.

The parts and brake cleaner fluids at our facilities are also recycled by our vendor. In 2008, over 12,975 gallons of petroleum solvent were collected and recycled from our facilities.

Hertz uses Bradley Systems' RTX#9 general vehicle cleaner at all of its car rental operations. Dubbed "America's first 'Zero-Toxic' Cleaner," it has no ozone depleting, greenhouse gas, or global warming chemicals, and is biodegradable in water.

For Hertz Equipment Rental Corporation facilities, Hertz and Bradley created Bradley's Plus degreaser, an aggressive cleanser that has the same environmentally friendly attributes as the RTX#9 cleaner used in the company's car rental operations.

Hertz and Bradley created a closed-loop refill program for Hertz's cleaning solutions with Bradley picking up the empty barrels when they deliver new cleaning solution.

All Hertz Equipment Rental locations are equipped with digital programmable thermostats that adjust HVAC systems accordingly during off hours. These units save an average of 5 to 7% of energy consumption annually.

Europe

Our Service Center in Dublin won the Swords Fingal Chamber of Commerce Environmental Award for 2007 for minimizing environmental impact with respect to waste management, energy awareness, light and temperature controls, and health and safety culture. Specific programs that led to this award are as follows:

Waste Disposal / Recycling / Composting Initiative

In 2007, 104 tons of paper, 8 tons of cardboard and 38 tons of dry recyclable waste were recycled. In addition, 5 tons of kitchen waste was composted.

Multi-function - Printer/Copier Devices

After a strategic review of printing requirements, Hertz Dublin reduced by more than 60% of the number of desktop printers through the increased use of Multifunction Devices.

Battery / Toner & Cartridge / Mobile Phone Recycling

Since 2005 Hertz has set up Battery Collection Points throughout the Dublin facility for staff members to dispose of batteries used in work related equipment, e.g. headsets, and also from home. Batteries are sent to a recycling facility in Ireland where many of the components are recovered and used to manufacture new batteries. The remaining parts, lead and sulfuric acid, are used to make new lead plates, laundry detergent, and glass.

- Used toners and cartridges are sent to a local children's hospital for recycling and the money is used to help purchase much needed equipment.
- In 2007, the following energy initiatives resulted in a reduction in energy consumption of 284,000 kWh in Electricity.

Glazing - Solar Reflectance Treatment

3M Scotch tint Window film to reduce the solar warming and enhance the comfort level of employees. This low-emissive film reduces solar heat transmission by as much as 57% and reduces heat loss in the cooler months by as much as 20%.



Lighting Control

Installed light sensors in enclosed offices that automatically turn lights off if the office is unoccupied.

Building Management System (BMS)

Hertz installed a BMS within the Dublin facility to control, monitor and manage the ventilation, cooling, heating and lighting installed in the building so that environment is optimized and any issues or breakdowns are highlighted.

- Initiated a communications program to employees detailing interesting facts related to environmental information.

The Dublin facility has renewed its annual participation in "Winter Peak Demand Reduction Scheme." This program, which was launched by the Irish Electricity Supply Company - ESB National Grid, rewards companies who reduce their electricity consumption/carbon footprints during the peak demand hours of 5-7pm (week-days) during the winter months of November through February.

The Dublin facility has also invited a specialist lighting controls company to complete an audit to evaluate energy/carbon savings



Hertz electric scooters are also available in Madrid in Spain where Hertz was the first general-use car rental company to add electric scooters to their fleet.

The Hertz Licensee in Iceland recently became the first company to offer fully hydrogen-powered cars for rent.

The Hertz Licensee in Sweden has been ISO 14001 certified since 2002 and the Hertz Licensee in Finland has been ISO 14001 certified since 2007.

In addition, in 2008 the Sweden Licensee was voted the most environmental friendly car rental company for the third year in a row by The Swedish Association of Green Motorists. In fact, in 2008 Hertz opened Sweden's first green car rental location at Stockholm-Arlanda Airport. The green location only offers environmentally friendly cars. These cars have passed the requirements for environmentally friendly cars according to the Swedish Road Administration. Fleet management and administration, as well as premises and suppliers are also environmentally friendly. At the Green Location, customers are offered a short environmental training program before and after the rental. The Hertz sales representative informs the customer about emissions, choice of fuel, tires and ecodriving. The Green Location is adapted for the physically challenged, and hand controls are offered at no additional cost.

that could be achieved through the introduction of lighting presence detection controls. The Dublin office will be used as a trial location with the potential to roll out suitable controls across the Hertz portfolio including both our car and equipment rental sites.

In 2008, Hertz UK agreed to a 12-month green tariff contract with the energy supplier, EON, to provide over 900,000 kWh of electricity. This contract requires EON to generate an equivalent unit of power from a renewable resource such as wind turbines, hydro and biomass fired power stations. Hertz's commitment to purchasing from a green tariff is helping to drive the development of renewable energy technologies within the UK.

In the Netherlands, Hertz is the only car rental company that now offers cars that use Compressed Natural Gas (CNG).

During the first quarter of 2009 Hertz introduced electric city scooters to its rental fleet in Amsterdam, Netherlands. The Hertz city scooter is CO₂ neutral. With a maximum speed of 35 kilometers an hour it has a total range of 50 kilometers on a single charge. It can easily be re-charged by simply using a standard electrical socket.





Australia/New Zealand

Hertz New Zealand offers its customers a carbon calculator to allow potential renters to determine their carbon footprint for various car makes and models.

South America

In Brazil most of Hertz's fleet is flex fuel capable of using alcohol or gasoline. In addition, Hertz modifies its vehicles for leased fleet customers to use Liquefied Natural Gas.