AN EVALUATION OF CORPORATE VOLUNTARY CLIMATE ACTIONS

A FOCUS ON THE RENTAL CAR & TRUCK INDUSTRY

by

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Abstract

Many scientists, economists, and politicians have come to the conclusion that climate change is a global problem with social, economic, and environmental consequences, resulting primarily from reliance on fossil fuels like coal and oil. In the absence of federal climate policy, some companies have taken the initiative to voluntarily take actions to measure and disclosure their carbon emissions and related climate actions.

A non-profit organization, Climate Counts, believes that business has the power to change the outcomes related to climate change, and consumers have the power to change business. Climate Counts provides a scoring system, which is an effort to bring consumers and companies together in the fight against climate change. By providing a score of 0-100 to individual companies, Climate Counts compares companies with industries on their published and documented commitments to address climate change.

This Master’s Project develops the scorecard for the rental car and truck industry. The evaluation includes six companies in the rental car and truck industry, all of which have annual revenues of over one billion dollars. The scores for the six companies varied from zero to 24 with a median score of 18.5. While the top score of 24 held by the Avis Budget Group and Penske demonstrates that they are their industry’s leaders in corporate climate actions, the relatively low score also indicates that car rental industry has room for significant improvements in voluntary climate change action. Companies that choose to utilize and respond to this evaluation are leading the charge in one of the fastest growing corporate disciplines. They have the willingness to develop and implement a climate strategy that works for executives, employees, customers, and other stakeholders.
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**Introduction**

In 2007, The Intergovernmental Panel of Climate Change, a group of the world’s leading climate scientists, concluded for the first time that global climate change is “unequivocal” and that human activity is the main driver.\(^1\) Many scientists believe that we have an approximately 10-year window to significantly reduce our emissions of greenhouse gases if we are to avoid the most dangerous consequences of global climate change.\(^2\) For the first time, a comprehensive climate bill, the American Clean Energy and Security Act, passed the United States House of Representatives in the summer of 2009 by a vote of 219 to 212. The bill is on its way to the United States Senate for revisions and concurrence.

In the absence of federal climate policy, some companies have taken the initiative to voluntarily take actions to measure and disclose their greenhouse gas emissions. These actions can include measuring the company’s carbon footprint, verifying these measurements, and disclosing climate-related materials to the public. These voluntary actions may prove to be a significant advantage if comprehensive climate legislation becomes law. It is likely, that under a climate law, most greenhouse gas emitters will be required to account for and disclose their greenhouse gas contributions. Further, some companies are going beyond measurement and disclosure to take action that reduce

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2 The EPW Press Blog in the U.S. Senate Committee on Environment and Public Works Website. Posted by Marc Morano on July 18, 2008.
climate change impacts by including green initiatives in their business model and providing green services to their customers.

A non-profit organization, Climate Counts, believes that business has the power to change the outcomes related to climate change, and consumers have the power to change business. Climate Counts provides a scoring system, which is a collaborative effort to bring consumers and companies together in the fight against climate change. By providing a score of 0-100 to individual companies, Climate Counts compares companies on their published and documented commitments to address climate change. Climate Counts focuses primarily on determining if companies have measured their climate “footprint”, reduced their impact on the changing climate, supported or showed an intent to block climate legislation, or publicly disclosed their climate actions clearly and comprehensively.³

Since 2007, Climate Counts has scored more than 14 industries, and they have developed a Climate Counts Company Scorecard to evaluate how companies compare to their sector competitors. The annually updated scorecard reflects self-reported efforts of companies to address climate change. This scorecard is available to consumers via the Climate Counts website and a convenient pocket shopping guide.

In recent months, Climate Counts developed a bundle of scores focused on the travel industry. They have published scores for 13 airlines, and 6 hotel companies, and wish to complete the bundle with an evaluation of the rental vehicle industry. This Master’s Project will develop the scorecard for the rental car and truck industry.

One of the key components of a climate analysis of rental cars concerns the fuel economy of the rental fleet. Americans are known for their love of gas-guzzling

³ Climate Counts Website: www.climatecounts.org
automobiles, but the economic recession, rising gas prices, and increasing awareness about climate change has lead to more customers looking for cars with better mileage and lower emissions. This evaluation will examine whether these changes in preferences are significantly affecting rental cars fleets. Everyone is aware of the fact that hybrid cars are costly to buy, even though the operating costs might be cheaper than that of conventional fuel driven cars. Are rental car companies providing hybrid, electric, and other high fuel efficiency vehicles for their customers? Are these changes in direct response to customer requests? These are some of components of the scorecard for the rental car industry that I will examine.

While improving the fuel efficiency in rental fleets is inherently good for combating climate change, in order to provide a complete evaluation of rental vehicle companies, it is necessary to look beyond the composition of the fleet. Companies in this sector will also be scored on their measurements of greenhouse gases, verification of these measurements, initiatives to reduce energy use, and reduce their contributions to the changing climate. Companies will also be evaluated on their position on advancing climate legislation.

This scorecard will have direct impacts on consumer choices. With better knowledge of the climate actions of different rental car and truck companies, climate-conscious consumers will be able to make informed decisions when traveling or utilizing the services of rental cars and trucks.
**Objective**

The objective of this research is to create a customer-friendly scorecard, which displays the results of this evaluation. The results will be the Climate Counts scores associated with each company's voluntary climate actions.

**Explanation of Scorecard**

The annually updated scorecard reflects the self-reported efforts of companies to address climate change. Climate Counts uses a zero to 100 point scale and 22 criteria to determine how serious a company is about addressing climate change, and how they compare to their industry competitors. The Climate Counts scorecard is a generic scoring system and is not unique to any one industry. The 22 criteria are broken down into four sections that address, 1) has the company measured and REVIEWED their climate “footprint”, 2) has the company REDUCED their impact on global warming, 3) has the company supported or suggested intent to block climate POLICY, and 4) has the company publicly REPORTED their climate actions clearly and comprehensively. Each criterion on the scorecard includes guideposts for assigning the appropriate number of points. Below is a list of each criterion’s placement within the four sections and the possible points associated with each criterion. Partial credit for each question is possible and is assigned at the discretion of the evaluator, and verified by the Executive of Director of Climate Counts.

**Section 1 – REVIEW – 22 possible points**

1. Has the company completed a GHG emissions inventory? (5)
2. Does the inventory use rough calculators or standard protocol/calculator? (3)
3. Are Kyoto gasses besides carbon dioxide included in the inventory? (2)

4. Are indirect emissions accounted for? (e.g. supply chain and travel) (4)

5. Is there external, third party verification of emissions data, reductions, and reporting? (4)

6. Is the inventory an ongoing, regular process accounting for multiple years? (4)

Section 2 – REDUCE – 56 possible points

7. Has a clear GHG reduction goal been set? (4)

8. What is the strength of the baseline year used for the reduction goal? (3)

9. What is the magnitude of the reduction goal? (5)

10. Have a management plan and organizational structure been established for addressing climate change? (5)

11. Is there top-level support for climate change action? (2)

12. Has the company taken steps towards achieving their reduction target? (8)

13. Has the company achieved emissions reductions? (10)

14. Has the company achieved absolute or intensity-based reductions? (4)

15. Has the company achieved verified reductions to date? (5)

16. Has the company made successful efforts to reduce GHG impacts associated with the use of its products and services? (4)

17. Does the company work to educate its employees, trade association, and customers on how they can reduce individual GHG emissions? (4)

18. Does the company require suppliers to take climate change action or give preference to those that do? (2)
Section 3 – POLICY – 10 possible points

19. Does the company support public policy that could require mandatory climate change action by businesses? (10)

20. Does the company oppose public policy that could require mandatory climate change action by businesses? (-10)

Section 4 – REPORT – 12 possible points

21. Is the company publicly reporting on emissions, risks, and actions? How is information disclosed? Company based website or annual report or through a credible third-party program? (10)

22. Are emissions broken out by facility, business unit, country of operations, or other meaningful sub segments? (2)

Methodology

Six major rental car and truck companies--Enterprise Holdings, Hertz Car Rental, Avis Budget Group, Dollar Thrifty Automotive Group, U-Haul, and Penske--were chosen for this evaluation. These companies have achieved annual revenues of over one billion dollars. The evaluation was restricted to billion dollar plus companies to ensure fairness and comparability of comparisons. This meant that several other companies such as ZipCar, Advantage Car Rental, Fox Car Rental, and Ace Rent-A-Car were not evaluated due to the small size of their market share.

After the selection of companies, one hour was spent for each company scanning the Internet for data completeness in order to make a determination early in the process as to the availability of information needed to score the company. During this scan, the
company's corporate website was explored to get a sense of the company's standards using available resources. Specific attention was paid to sites dedicated to citizenship, environment, stewardship, climate, and sustainability. In addition to the corporate website, third-party sites such as EPA Climate Leaders, Carbon Disclosure Project, Pew Center’s Business Environmental Leadership Council, and GreenBiz.com were searched for relevant information. This search was also supplemented by a general Google search.

After the compilation of information, a letter was submitted to the company's environmental contact on behalf of the author of this evaluation and the Project Director of Climate Counts. The letter explained to the contact that Climate Counts had chosen their company for scoring, and that the company had the opportunity to submit more climate-related information by a certain deadline. In the case of this evaluation, the contact had one month to submit any supplemental information. An example of this letter is available at the conclusion of this evaluation.

While waiting on responses from environmental contacts, a search for relevant corporate timelines, documents, mission statements, or reports was conducted. I also explored each company's affiliations with trade organizations, governmental agencies, and environmental groups. The author read and documented all reports discovered on third-party sites.

The scoring process used the information compiled during data collection including additional data submitted by the company's environmental contact. Each criterion on the Climate Counts scorecard was assessed, and the author assigned a defensible score for each criterion using the scoring system outlined on the scorecard. References were made to persuading information, and the author documented all resources that influenced a score.
Each company was scored based on 22 criteria, and received a score from zero to 100. The scores, along with the rationale behind the scores, were submitted to Climate Counts’ Executive Director, Wood Turner for verification. The Executive Director provided the author with comments and any objections to the scores. The author responded to the comments with additional resources in defense of the scores. The authored then submitted to scores to Climate Counts for final verification and for publication in an upcoming public score release.

**Results – Climate Scores**

**Avis Budget Group**

Avis Budget Group (ABG) operates two of the most recognized brands in the vehicle rental industry through Avis and Budget. Avis is a leading rental car supplier to the commercial and leisure segments of the travel industry, and Budget is a leading rental car supplier to the price-conscious segments of the industry. Budget Truck offers a rental fleet of 29,700 trucks through a network 2,875 locations throughout the continental United States. The Avis Budget Group operates at approximately 7,000 car and truck rental locations worldwide. Their international market includes Canada, Australia, New Zealand, Latin American, parts of Asia and the Caribbean. In 2008, the rental fleet totaled more than 424,000 vehicles, and the company completed more than 27 million vehicle rental transactions worldwide.

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4 Avis Budget Group Corporate Website: www.avisbudgetgroup.com
5 Avis Budget Group Corporate Facts: www.avis.com/car-rental/content/display.ac?navId=T6M21S02
6 Avis Budget Group Company Information: www.avisbudgetgroup.com/about/
Climate Counts Scoring for Avis Budget Group

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In the REVIEW section of the scorecard, ABG received 7 out of 22 possible points for their partial completion of a greenhouse gas inventory. ABG calculates greenhouse gas emissions for their corporate customers to include in their individual portfolios. Avis’ European operations measure ongoing greenhouse gas emissions from electricity, gasoline, oil, propane, landfill, and incinerated waste at headquarters and at rental locations. This data was reviewed and analyzed by Edinburgh Center for Carbon Management, an independent third-party. ABG did not receive full points because their greenhouse gas inventory is limited to emissions in Europe. Therefore, AGB only received partial points on items related to indirect emissions, verification, and the inclusion of all Kyoto greenhouse gases.

In the REDUCE section of the scorecard, ABG received 14 out of 56 possible points. Six of those points were awarded based on the efforts of ABG to reduce their greenhouse gas emissions. As part of these efforts, ABG gives all customers the option to purchase carbon offsets to offset the carbon associated with their rental. ABG offers a rental fleet where nearly all of the vehicles get 28 (highway) miles to the gallon or better, most

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receiving the EPA SmartWay Certification. The fleet also includes hybrid and flex fuel vehicles. Specific to their European operations, ABG is participating in several offset projects including planting 138 hectares of new woodland forest, partially financing a small scale hydro power plant, and support an agricultural methane capture project. For every metric ton of carbon dioxide produced, Avis Europe pays for one metric ton to be saved through climate-friendly carbon offsetting initiatives.\textsuperscript{7} Several additional points were awarded in the REDUCE section as a result of ABG’s documented and verified reduction of carbon dioxide emissions. According to the Carbon Disclosure Project, Avis Budget Group has achieved a 12\% reduction in carbon dioxide emissions from 2004 to 2006.\textsuperscript{8} Also, as a part of their environmental platform, ABG has a five-part program to encourage their corporate customers to reduce the environmental impact of their rental. The company is also the official car rental sponsor of the American Society of Travel Agents’ (ASTA) Green Member Program. The aim of the program is to help agents and suppliers learn more about responsible environmental practices within the travel industry, and help interested consumers reserve travel with environmentally responsible providers.\textsuperscript{9} ABG received six points for these initiatives. ABG did not receive full points in this section mostly as a result that the climate actions are limited to European markets. In addition, ABG has not published specific reduction targets, plans on how to achieve those targets, and has not designated a board member or high-level executive to be responsible for climate issues.

In the POLICY section of the scorecard, ABG did not receive any points. This is because the company appears to be silent on any kind of proposed climate legislation.

\textsuperscript{9} American Society of Travel Agents’ Green Member Program: www.asta.org/BusinessServices/content.cfm?ItemNumber=3652&navItemNumber=3732
In the REPORT section of the scorecard, ABG received 3 out of 12 possible points. Three points were awarded because the company is publicly reporting their European emissions to the Carbon Disclosure Project. ABG is publishing this information on their corporate website as well as in a comprehensive environmental annual report. However, full points were not received due to the limited scope of the reporting and the lack of reporting emissions breakdown by facility, business, unit, or in any other meaningful sub segments.

Overall, Avis Budget Group received the highest (tied with Penske) score of the eight companies this project evaluated. The analysis shows that ABG is conscious of the environmental impacts associated with their services, and they are working to mitigate these impacts, although limited in scope. They are even more aware of the consumer demands of environmentally conscious customers. They are marketing to this group by advertising their offset program and their hybrid line of vehicles, which rent at a premium.

**Penske Truck Rental and Leasing**

Penske Corporation is a transportation services company that includes retail automotive sales and services, truck rental and leasing, supply chain logistics management, transportation components manufacturing, and high-performance racing. Penske Corporation operates as a joint venture along with Penske Automotive Group and General Electric. For the purposes of this project, only the actions of Penske Truck Rental and Truck Leasing will be included in the analysis. Penske Truck Rental serves the short-term need of individuals, such as household relocation. Penske Truck Leasing provides services to businesses to improve fleet performance and streamline supply chain management.
Penske offers a rental fleet of over 200,000 vehicles at more than 1,000 locations worldwide. In addition to the United States, Penske has operations in Mexico, Canada, South America, Europe and Asia.10

Climate Counts Scoring for Penske

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In the REVIEW section of the scorecard, Penske received 10 out of 22 possible points. Most of these points were awarded because of Penske’s participation in the SmartWay Transport Partnership.11 This partnership is an innovative collaboration between the EPA and the freight industry designed to improve energy efficiency, reduce greenhouse gas and air pollutant emissions, and improve energy security.12 One of the requirements of participation is the completion of a baseline greenhouse gas inventory. This inventory must be verified by the EPA and is required to include emissions from facilities and vehicles. The EPA did not provide access to the inventory due to privacy agreements with partnering corporations, but the partnership qualifications align nicely with the criteria

10 Penske Automotive Group: www.penske.com
12 EPA SmartWay: www.epa.gov/smartway/basic-information/index.htm
associated with the Climate Counts scorecard. Penske did not receive all possible points because the inventory only includes carbon dioxide and does not address methane or nitrous oxide. Also, because this analysis gives a heavy weight to data that can be easily viewed by the public and access was not granted to the inventory, it is impossible to award full points.

In the REDUCE section of the scorecard, Penske received 11 out of 56 possible points. Five of these points were awarded because of Penske’s climate conscious actions. The EPA awarded Penske a score of 1.25 (the highest possible score) indicating that Penske is utilizing most of the commercially available fuel saving strategies and are actively evaluating the latest emerging technologies. An expression of environmental commitment from a high-level executive demonstrates to the public that the company is serious about taking action from the top down. An additional two points were awarded because Penske has a vice president of sustainability, Joe Moleski who in 2008 expressed the following, “We are already working to drive a number of internal initiatives designed to help our customers meet their environmental goals and fuel cost and emission savings while working toward our own commitments to operate even more responsibly as it relates to the environment.” Penske also received two points because of their participation in the AltWheels 2008 Fleet Day Agenda addressing climate change, alternative fuels, and energy efficiency. Penske could not receive full points because they

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16 AltWheels 2008. www.altwheels.org/fleetday08.html
have not published information regarding emission reduction goals, reduction plans, or commitments to require climate-friendly products from suppliers.

In the POLICY section of the scorecard, Penske did not receive any points. This is because the company appears to be silent on any kind of proposed climate legislation.

In the REVIEW section of the scorecard, Penske received 3 out of 12 possible points. These points are associated with Penske’s reporting their emissions to a credible third-party program, the EPA SmartWay Partnership. However, since this material is not disclosed publicly, Penske could not receive the full 12 points.

With a score of 24, Penske is one of the best climate performers in the industry. However, it is difficult to analyze Penske in a meaningful way because most of their climate actions are channeled through the EPA’s SmartWay Partnership and information relating to those actions is not available to the general public. Penske stands to score significantly better in the future if they would publicly disclose the information they are currently submitting to the EPA.

U-Haul

According to the corporate website of their parent company, AMERCO, U-Haul is North America’s largest do-it-yourself moving and storage operator. U-Haul operates nearly 16,000 locations across the United States, and 90% of those are owned and managed by independent dealers. U-Haul’s rental fleet is composed of trucks and trailers, which serve more than 11 million do-it-yourself household moving customers annually.17

17 About U-Haul. www.uhaul.com/about
Climate Counts Scoring for U-Haul

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It is not surprising that Budget Truck Rental and Penske Truck Rental are U-Haul’s two biggest competitors. Competing in this price-sensitive market, U-Haul often keeps their prices below that of the competition. Nonetheless, U-Haul has been able to develop a comprehensive climate and sustainability program. Of the companies in this evaluation, U-Haul has the third highest score behind the Avis Budget Group and Penske. In addition, U-Haul was the only company to respond to the notification of scoring letters. In their response, they included a sustainability brochure that is often provided to customers. This brochure was referenced throughout U-Haul’s scoring.

In the REVIEW section of the scorecard, U-Haul was not awarded any points. Why not?

In the REDUCE section of the scorecard, U-Haul was awarded 14 points, one of the highest scores for this section. Six of these points were attributed to U-Haul’s actions to increase energy efficiency and use emissions-reducing technology. One such technology is U-Haul’s use of permeable ground cover at their rental sites instead of concrete. Pouring 1,000 cubic yards of concrete indirectly emits 400,000 pounds of carbon dioxide, and thus
the permeable ground cover is a climate-conscious choice. According to their sustainability brochure, U-Haul’s storage facilities are constructed from 100% recycled and reused materials, and using these materials eliminates 17.3 tons of carbon emission for every 1,000 square feet of storage space. In 2007, U-Haul phased out the practice of spray coating equipment, and replaced the practice with rollers and brushes, practically eliminating the carbon dioxide emissions associated with spray cans. In addition to these technologies and changes in practice, U-Haul has partnered with several organizations to decrease their carbon footprint. U-Haul has facilitated donations of more than 368,000 trees for reforestation projects across the United States, and they also partnered with the Conservation Fund’s Go Zero program to allow customers to buy carbon offsets. U-Haul also scored three additional points because they attributed some sort of carbon accounting to some of the actions listed above.

U-Haul received four points for their five-part program to help customers reduce the environmental impact of their rental by providing tips for environmentally friendly driving, and they provide suggestions on how to communicate these tips to employees for maximum effectiveness. As part of the program, corporate customers also receive the use of an e-Toll pass, which reduces the emissions associated with waiting at toll plazas. Also, U-Haul provides a continuous ticker at the top of its sustainability website to indicate

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to customers how many pounds of carbon dioxide emissions have been avoided by U-Haul’s use of gasoline instead of diesel. The drawback of the ticker is this is a rough estimate, and the measurements are not taken in real time. Also, diesel engines are more efficient and get better gas millage. So, it is difficult to determine the scientific basis of this estimate, but a point was awarded because of U-Haul’s acknowledgement of greenhouse gas reductions, and an attempt to measure those reductions.

In the POLICY section of the scorecard, U-Haul was awarded four points, the only company in this evaluation to receive points in this section. The points were awarded in response to this statement by U-Haul on their corporate sustainability website.

“Climate change is a global environmental concern with potentially significant consequences for society and the transportation industry. We believe that a carbon-constrained economy creates business opportunities as well as challenges. U-Haul is committed to developing and implementing comprehensive climate-change strategies to manage and mitigate our greenhouse gas emissions.”

While four points for this simple statement may appear to be generous, U-Haul is one of the only companies acknowledging their contribution to climate change, and taking a direct responsibility to mitigate that contribution.

In the REVIEW section of the scorecard, U-Haul received two points based on their comprehensive disclosure of climate actions. However, they could not receive full points, because U-Haul does not publish reporting on emissions and does not seek out any third party verifiers.

22 U-Haul Corporate Sustainability:
www.uhaul.com/about/corporate_sustainability/environment/default.aspx
Enterprise Holdings, Inc.

Enterprise Rent-A-Car had a big year in 2007, highlighted in August by their acquisition of Vanguard Automotive Group. Vanguard is the parent company of both National and Alamo Rental Car. The resulting company, Enterprise Holdings, Inc. was 18th on the 2007 Forbes list of “Largest Private Companies in America.” Therefore, this evaluation of Enterprise includes the actions of all three companies. Also in 2007, Enterprise celebrated its 50th anniversary, publicizing that the company would plant 50 million trees over the next 50 years, and introduced its environmental platform and specialized environmental website, “Keys to Green.”

Enterprise Holdings, Inc. is the largest rental car company in North America and has more than 5,400 “local market” locations and 419 airport locations, including those that they operate in Canada, United Kingdom, and Germany. They operate a fleet of over 1.1 million vehicles, and according to a rental car trade website, rentacarnow.com, Enterprise purchases seven percent of all new automobiles sold in the United States.

Enterprise Climate Counts Scoring

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24 Arbor Day Foundation. www.arborday.org/enterprise
25 http://www.rentacarnow.com/vendor/enterprise.html
Enterprise had the second highest score among rental car companies, coming in behind the Avis Budget Group with 17 total points. In the REVIEW section of the scorecard, Enterprise did not receive any points. There does not appear to be any evidence that suggests Enterprise is measuring its greenhouse gas emissions or moving toward starting this practice.

In the REDUCE section of the scorecard, Enterprise was awarded 15 out of 56 possible points, the highest score achieved in this section. Unlike Avis Budget Group and U-Haul, the majority of Enterprise’s points in this section were not a result of programs to improve energy efficiency or utilize emissions reducing technology. However, they did receive five points for these efforts. As previously mentioned, Enterprise pledged to plant 50 million trees over the next 50 years as part of their 50\textsuperscript{th} anniversary.\footnote{Arbor Day Foundation. \url{www.arborday.org/enterprise}} They have also launched a successful carbon offset program, that in its first year raised $440,000 for verifiable carbon offsetting projects and offset nearly 42,000 metric tons of carbon.\footnote{Empowering Our Customers: Optional Carbon Offsets Program. \url{http://www.keystogreen.com/carbon_offset.html}} Enterprise leads the nation with the most hybrid cars on the road, with over 6,000 and almost 50\% of the entire rental fleet is EPA SmartWay Certified.\footnote{Most Fuel Efficient Fleet. \url{www.keystogreen.com/fuel_efficient.html}} In 2008, Enterprise piloted its first on-campus car-sharing program, WeCar, at Washington University in St.

\footnote{Arbor Day Foundation. \url{www.arborday.org/enterprise}}
\footnote{Empowering Our Customers: Optional Carbon Offsets Program. \url{http://www.keystogreen.com/carbon_offset.html}}
\footnote{Most Fuel Efficient Fleet. \url{www.keystogreen.com/fuel_efficient.html}}
Louis. The program was introduced at University of South Florida in July of 2009 featuring all hybrid vehicles.

Enterprise received two points in response to their published environmental platform via a comprehensive website (www.keystogreen.com). In a 2008 article, The St. Louis Business Journal highlighted this platform and gave special recognition to the Enterprise’s Chief Executive for creating a director of corporate sustainability, now held by Lee Broughton. In the article Lee Broughton is quoted, “[We thought,] How can we align what’s best for the world with what’s best for business?” The Climate Counts scorecard allows for two points to be awarded if the company appoints a high-level official to be responsible for environmental and climate-related issues. Enterprise and Penske are the only companies in this evaluation to receive these points. Six additional points were awarded for partial carbon accounting practices, an environmental awareness campaign to educate customers and employees, and for their affiliation with the EPA SmartWay program, the U.S. Forest Service, and the National Arbor Day Foundation. In the POLICY section of the scorecard, Enterprise did not receive any points. They appear to be silent regarding climate legislation and CAFE standards, although they seem to be preparing for a shift in policy.

In the REPORT section of the scorecard, Enterprise received two points for the comprehensive nature of their environmental website, Keys to Green.

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28 WeCar: Enterprise Offers Business-to-Business Car Sharing Across the U.S. www.keystogreen.com/car_sharing.html
Hertz Rent-A-Car

The Hertz Corporation, also known as Hertz Rent-A-Car, is the most recognizable car rental brand in the world, with approximately 3,500 locations in the United States and 7,500 locations worldwide. Arguably, Enterprise is larger because it has roughly twice as many vehicles in its fleet, but Hertz occupies a larger international market and is regarded as a worldwide brand. Hertz makes a unique contribution to the rental car market with three specialty car collections. The “Fun Collection” targets the leisure car rental market, catering to travelers seeking exciting driving experiences. The “Prestige Collection” features certain models from Land Rover, Jaguar, and Mercedes-Benz. Hertz launched its “Green Collection” in September of 2006 with environmentally friendly vehicles, featuring highway fuel efficiency ratings of 31 highway miles per gallon or more. There are roughly 35,000 cars in this collection.

Climate Counts Scoring

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31 Hertz Company Profile. www.hertz.com/rentacar/abouthertz/index.jsp?targetPage=CorporateProfile.jsp&c=aboutHertzHistoryView
32 Hertz Introduces “Green Collection” Rental Cars. www.sustainablestyle.org/blog/2006/09/hertz-introduces-green-collection-r
While Hertz may be a major player in the rental car industry, they are doing little to keep up with competitors like Enterprise and Avis when it comes to voluntary climate actions. Hertz received only three points overall, and these are all attributed to Hertz’s Green Collection of vehicles. Hertz appears to be marketing to a certain climate conscious audience, but does not provide evidence to suggest the company as a whole is interested in addressing its impact on the environment or contributions to climate change.

Dollar Thrifty Automotive Group

Dollar Thrifty Automotive Group is a Fortune 1000 Company and home to two rental car companies, Dollar Rent A Car and Thrifty Car Rental. They serve customers in 70 countries and have over 1,650 corporate and franchised worldwide locations including 740 in the United States and Canada. Dollar Thrifty Automotive Group was scored as part of this evaluation, but it was determined that they should receive a score of zero. Dollar Thrifty Automotive Group did not respond to the author’s request for climate-related information, and the company’s corporate website did not make reference to any climate-conscious actions or programs, current, past or proposed.

Discussion and Conclusions

The scores for the six companies varied from zero to 24 with a median score of 18.5. While the top score of 24 held by the Avis Budget Group and Penske demonstrates that they are their industry’s leaders in corporate climate actions, they still have a long way to go to truly lead the fight against climate change. For comparison purposes, the airline

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33 Dollar Thrifty Automotive Group Corporate Profile. www.dtag.com/phoenix.zhtml?c=71946&p=iror-home
industry’s scores ranged from zero to 48 with a median score of 36.5. Both of these industries depend on carbon-based fuels; therefore their fuel consumption is the main contribution to a changing climate. However, the Climate Counts scorecard is a generic scoring system and is not unique to any one industry. In order to truly evaluate the contributions of companies in car, truck, and airline industries, an evaluation should be conducted to address the combustion of fuels and the associated release of greenhouse gases.

Specific to this evaluation of car and truck rental companies, it is important to address the miles per gallon ratings associated with the individual fleets. While the Climate Counts scorecard does not provide an opportunity to score this criterion, it is important to note that all of the companies in this evaluation publically disclose the fuel ratings of their fleet, with the exception of Dollar Thrifty Automotive Group and Penske. However, since Penske is a certified member of EPA’s SmartWay program, they are likely meeting a high standard for fleet performance, but that standard is unknown to the general public.

As a result of the publication of these scores, climate-conscious customers will have the ability to choose a rental car or truck company that is making positive strides toward addressing climate change. With each dollar that customers spend, they are voting for the actions and impacts of companies. When customers express to companies that they prefer one to another because of their commitment to address climate change, companies listen and respond accordingly. This evaluation of the rental car and truck companies will help facilitate that process.

34 Climate Counts Scorecard Sections: Airlines. www.climatecounts.org/scorecard_sectors.php?id=26
Companies that choose to utilize and respond to this evaluation are leading the charge in one of the fastest growing corporate disciplines. They have the willingness to develop and implement a climate strategy that works for executives, employees, customers, and other stakeholders. Companies that choose to understand what is motivating customers and who adapt to a changing marketplace stand to gain as the issue of global climate change continues its evolution.

Source of Support
Wood Turner, Executive Director of Climate Counts, serves as the supervisor and project director for this research. He can be contacted at wturner@climatecounts.org

Faculty
Dr. Lori S. Bennear, Assistant Professor of Environmental Economics and Policy, serves as the Master’s Project advisor for this research.

Disclosure
As of May 11, 2010, the results of this evaluation have not been formally accepted by Climate Counts and have not been published to the Climate Counts website.
February 16, 2009

Mr. Ramirez:

I am pleased to contact you and Herman Miller on behalf of Climate Counts, a non-profit initiative that helps consumers and businesses collaborate to address global climate change. As you may know, our first scores of 56 well-known companies in eight major sectors were announced on June 19, 2007, and then updated in May 2008. We are continually expanding the index of companies we are monitoring and have included yours in our latest group. The purpose of this letter is to make you aware of that process and to solicit any input you would like to provide.

Climate Counts has rigorously developed a consumer-friendly tool to align corporations and their customers around climate protection. With the goal of providing information to consumers on voluntary corporate climate responsibility, Climate Counts has attracted the strategic involvement of recognized thought leaders like Joel Makower of GreenBiz.com, as well as technical and advisory support from climate experts at leading academic institutions and NGOs. This project has been made possible with funding from Stonyfield Farm.

Climate Counts scores companies on the basis of their voluntary action to reverse climate change, in order to help consumers compare and make critical distinctions between well-known brands that are leading and those not yet keeping pace. The Climate Counts Company Scorecard gives consumers the clear information they need to support companies that reflect their own concerns about global warming. Our goal is that widespread consumer response will motivate companies to continually improve their performance -- and their score.

We have built Climate Counts as a proxy for the average consumer, evaluating corporate climate practices by assessing widely available documentation -- such as company reports (annual, environmental, social responsibility, etc.), company websites, credible third-party data, and other publicly disclosed information (such as Carbon Disclosure Project responses) -- that consumers themselves would be able to easily access. We use new data your company has reported publicly to update our consumer-oriented climate profile so that your company can be compared to others in your sector. Again, your company’s continual progress on climate issues is very important to us and will be reflected in an annually updated score.

We have included a Climate Counts “pocket shopping guide,” which we make available to consumers after the scoring process is complete.
Climate Counts evaluates corporate action in four key areas:

1. Review: Conducting a greenhouse gas (GHG) emissions inventory
2. Reduce: Setting and meeting GHG emission reduction goals
3. Policy stance: Positions on climate-related public policy at the local, state/province, and federal levels
4. Report: Reporting publicly on emissions and reductions

In our initial review, we have discovered the following new corporate documentation from which we will complete a Climate Counts profile of Herman Miller:

- Herman Miller corporate website
- 2008 A Better World Report
- Other information via credible third parties

We look forward to continuing a dialogue with Herman Miller about this effort to help build a unique partnership between businesses and their customers around climate protection. As a first step in the dialogue, we ask that you inform us of any relevant documentation that we may not have found in our initial, pre-scoring screen of Herman Miller but that you believe is important to help us complete our evaluation. We invite you to provide this information to us voluntarily. Please note that we must interpret a lack of available information as the failure to achieve Climate Counts benchmarks.

Please forward any additional information to Climate Counts by Tuesday, March 17, 2009, either to our mailing address that appears on this letterhead or to this dedicated e-mail address, info@climatecounts.org.

We look forward to hearing from you with any additional information or questions.

Sincerely,

Betsy McCorkle
Wood Turner
Climate Counts, Research Analyst Climate Counts, Executive Director

Enclosure: Climate Counts 2008 Pocket Shopping Guide