

INTRODUCTION

On February 19, 2017, Susan Fowler, a former engineer at Uber Technologies, Inc. (“Uber”), published a blog post detailing allegations of harassment, discrimination, and retaliation during her employment at Uber, and the ineffectiveness of the company’s then-existing policies and procedures. The next day, Uber retained Eric Holder and Tammy Albarrán, partners at the law firm Covington & Burling LLP (“Covington”), to conduct a thorough and objective review regarding “the specific issues relating to the work place environment raised by Susan Fowler, as well as diversity and inclusion at Uber more broadly.” On March 1, 2017, Uber’s Board of Directors unanimously approved a resolution establishing a Special Committee of the Board to oversee this work.

The Special Committee instructed Covington to evaluate three issues: (1) Uber’s workplace environment as it related to the allegations of discrimination, harassment, and retaliation in Ms. Fowler’s post; (2) whether the company’s policies and practices were sufficient to prevent and properly address discrimination, harassment, and retaliation in the workplace; and (3) what steps Uber could take to ensure that its commitment to a diverse and inclusive workplace was reflected not only in the company’s policies but made real in the experiences of each of Uber’s employees.

To meet these objectives, Covington conducted a thorough, objective, and multifaceted investigation. The investigation team conducted over 200 interviews with current and former employees who shared a broad range of perspectives. Covington interviewed individuals with knowledge of Ms. Fowler’s allegations, employees who reported workplace environment-related complaints, employee representatives of Uber’s affinity and diversity groups, and current and former members of the Senior Executive Team. Covington also retained an experienced consulting firm to partner with them to convene and moderate anonymous, online focus groups with a statistically-significant percentage of Uber’s employees in the United States, gathering broad-based data about employee perceptions concerning Uber’s workplace environment and culture. In addition, Covington conducted a document review that included searching databases containing over 3 million documents.

Following delivery of Covington’s conclusions to the Special Committee, the Special Committee and the Board carefully deliberated for several days. The full Board then unanimously adopted all recommendations suggested by Covington to address the types of conduct described by Ms. Fowler and to achieve Uber’s goal of building a workplace in which “all the great minds” gather to work and succeed.

RECOMMENDATIONS

We recommend that Uber focus on four prevailing themes with regard to taking the following remedial measures: tone at the top, trust, transformation, and accountability.

I. Changes to Senior Leadership

- A. Review and Reallocate the Responsibilities of Travis Kalanick.** The Board should evaluate the extent to which some of the responsibilities that Mr. Kalanick has historically possessed should be shared or given outright to other members of senior management. The search for a Chief Operating Officer should address this concern to some extent.
- B. Use the Chief Operating Officer Search to Identify Candidates Who Can Help Address These Recommendations.** The Board should continue Uber's efforts to bring in a Chief Operating Officer who will act as a full partner with the CEO, but focus on day-to-day operations, culture, and institutions within Uber. The Board should develop a position description that provides clear lines of demarcation between the role that the Chief Operating Officer will be required to play as compared to the role that Mr. Kalanick will play as CEO. Some of the skills and experiences the Board should look for in a COO include: candidates with backgrounds in diversity and inclusion and candidates who are themselves diverse; candidates with experience dealing with organizations that have complicated labor and operational structures; and candidates with experience in improving institutional culture. Candidates who possess these skills and experiences will reinforce the actions resulting from other recommendations, including recommendations relating to tone at the top and the need to focus on diversity and inclusion at Uber.
- C. Use Performance Reviews to Hold Senior Leaders Accountable.** Uber should establish key metrics to which its leaders will be held accountable in the performance review process. This would include, for example, metrics that are tied to improving diversity, responsiveness to employee complaints, employee satisfaction, and compliance.
- D. Increase the Profile of Uber's Head of Diversity and the Efforts of His Organization.** An empowered senior leader who is responsible for diversity and inclusion is key to the integrity of Uber's efforts. Uber should elevate the visibility of the current Head of Diversity, Bernard Coleman, and emphasize the outreach component of Mr. Coleman's position. Uber should increase the activities and communications of Mr. Coleman's team. As part of these communications, the Head of Diversity could send updates to employees regarding the company's diversity efforts, engage in outreach efforts to Uber employees and affinity groups at Uber, and serve as a resource for senior management and rank-and-file employees alike with respect to diversity and inclusion. In addition, the position should be renamed the "Chief Diversity and Inclusion Officer," and the position should report directly to the CEO or the COO. This action is intended to reflect the elevated status of this role and demonstrate the company's commitment to this issue. It is equally important that the role address both diversity and inclusion. Diversity is generally viewed as focusing on

the presence of diverse employees based on religion, race, age, sexual orientation, gender, and culture. Inclusion, on the other hand, focuses not just on the presence of diverse employees, but on the inclusion and engagement of such employees in all aspects of an organization's operations.

- E. Employment Actions.** The Human Resources organization should take employment actions delegated to the Human Resources organization by the Board and Special Committee.

II. Enhance Board Oversight

- A. Enhance the Independence of the Board.** The Board should be restructured to include additional independent Board seats. These additional Board members should be directors with meaningful experience on other boards who can exercise independent oversight of Uber's management.
- B. Install an Independent Chairperson of the Board.** The Board should consider the appointment of an independent Chairperson. The use of an independent Chairperson is viewed by many governance experts as a best practice, particularly where there is a desire to enhance the level of Board oversight. An independent Chairperson could address several of these recommendations, particularly the need to serve as an independent check on Uber's management and the need to demonstrate to Uber's employees, partners, and customers that the Board is taking the investigation and the need for governance reform seriously.
- C. Create an Oversight Committee.** The Board should create an Oversight Committee. For example, the Board could create an Ethics and Culture Committee or a similar body. A committee of this nature could be organized as a standing committee of the Board, the purpose of which is to oversee Uber's efforts and enhance a culture of ethical business practices, diversity, and inclusion within the organization. The activities of the committee could involve meeting with senior members of management who are responsible for ethics, Compliance, Human Resources, and risk. This committee could establish and monitor metrics that are intended to measure compliance with Uber's business values, and the promotion of an ethical and inclusive environment. Alternatively, this committee could focus solely on Uber's remediation of recent issues.
- D. Use Compensation to Hold Senior Leaders Accountable.** The Board should consider incorporating ethical business practices, diversity and inclusion, and other values from Uber's Business Code of Conduct into its executive compensation program. Experience shows that compensation provides a powerful tool for creating incentives for behavior, and reinforcing a company's values. Many leading companies have incorporated similar metrics into the compensation packages for senior executives as a way of ensuring that their compensation practices reward conduct that is consistent with the cultural environment that they hope to create. Key members of senior management could be subjected to a probation period during which they must achieve certain minimum levels of performance in order to retain their compensation awards or to continue employment with Uber.

- E. Nominate a Senior Executive Team Member to Oversee Implementation of any Recommendations.** Uber should nominate a member of the Senior Executive Team to be responsible for the assessment and implementation of these recommendations, overseen by a Board-level committee. This executive should be chosen carefully, and care should be taken to appoint someone who is viewed positively by the employees. This person should be given full authority and an appropriate budget to implement these recommendations, including through the retention of appropriate consultants and experts, and should report directly to the Board of Directors concerning Uber's progress toward implementation. This executive should form a committee to prioritize and set timelines for the implementation of these recommendations, and the first report back to the Board should be within three months.

III. Internal Controls

- A. Implement Enhancements to the Audit Committee.** The Board should take steps to enhance the size, role, and independence of the Audit Committee. The audit committee is generally viewed by private and public companies as a committee that is responsible for overseeing a company's financial controls, risk management, regulatory compliance, and compliance with a company's code of conduct. Uber's Audit Committee could be enhanced through an expansion of the Audit Committee to include more independent directors and a clear articulation of the oversight role that the Audit Committee is intended to play, both of which could improve the Audit Committee's ability to oversee Uber's management. Key among the potential roles that the Audit Committee could play is to have a direct reporting line from Uber's Compliance organization, an appointed ombudsman, and/or Uber's internal auditor. The purpose of this structure would be to ensure that the person(s) playing those roles will have the ability to bring significant compliance or harassment issues to the attention of the Audit Committee without having to go through management or the CEO. The Audit Committee could also be empowered to oversee a response to any such issues, including a potential investigation, if warranted.
- B. Implement Enhancements to Uber's Internal Controls.** Uber should take steps to enhance its internal controls with respect to policy compliance. In particular, Uber should review its policies and procedures with respect to travel and expense reimbursements and enhance such policies to ensure that items that are inconsistent with Uber policies and procedures are not reimbursable and not reimbursed, and that proper controls are put in place to ensure compliance. For example, these procedures should require that Uber personnel at every level of the organization submit receipts as a condition to receiving reimbursement. Following these changes, Uber should provide training to senior management and other employees regarding these new policies and procedures.
- C. Human Resources Record-Keeping.** Uber should ensure it has appropriate tools, including complaint tracking software, to keep better track of complaints, personnel records, and employee data. For example, if a complaint is substantiated but results in discipline other than termination of employment, relevant stakeholders should be able to easily identify whether prior complaints have been lodged to ensure that appropriate action is taken with respect to repeat offenders. Likewise, senior managers should be able to track whether certain

organizations or managers give rise to multiple complaints such that intervention with the manager is needed. Uber should also emphasize the importance of record-keeping to all Human Resources staff, and impose consequences for failure to adhere to record-keeping requirements.

- D. Track Agreements with Employees.** All settlement and separation agreements with employees should be logged and tracked to ensure proper record-keeping, compliance with the agreements, and consistency in terms.

- IV. Reformulate Uber's 14 Cultural Values.** Uber should reformulate its written cultural values because it is vital that they reflect more inclusive and positive behaviors. To achieve this reformulation of the values, there are several steps Uber should undertake: work with an established and respected organization that is experienced in organizational change to restate the values with significant input from employees; consider further defining the values in a manner more accessible to and more easily understood by employees; adopt values that are more inclusive and contribute to a collaborative environment, including emphasizing teamwork and mutual respect, and incorporating diversity and inclusiveness as a key cultural value, not just as an end in itself, but as a fundamental aspect of doing good business; reduce the overall number of values, and eliminate those values which have been identified as redundant or as having been used to justify poor behavior, including Let Builders Build, Always Be Hustlin', Meritocracy and Toe-Stepping, and Principled Confrontation; and encourage senior leaders to exhibit the values on a daily basis and to model a more collaborative and inclusive Uber culture. Leaders who embody these values should be part of the process of redefining Uber's values and should be role models for other leaders within the company. All of Uber's senior leaders should be responsible for embracing and communicating the reformulated values to employees.

V. Training

- A. Mandatory Leadership Training For Key Senior Management/Senior Executive Team Members.** It is critical that senior leaders at Uber receive leadership coaching. Uber should engage a consultant who is respected in the field of inclusive leadership and has worked at the top levels of sophisticated companies to undertake training and coaching of all Senior Leaders. Sufficient time and resources should be devoted to both the selection of the consultant and the training itself. This training can be done as either standalone training, or as part of broader leadership coaching and training. There are several key components to this coaching: training to exhibit and model inclusive leadership and to combat implicit bias; training to encourage a culture in which everyone gets heard in a manner in which they are comfortable and employees feel safe to propose ideas; training that covers fundamental skills necessary for effective management as a senior leader, particularly in an organization of Uber's size, including how to effectively set organizational goals, how to lead employees, how to be aware of and implement necessary corporate controls, and how to identify and flag breakdowns in corporate controls; and incorporating the subject matter of the training as a competency against which senior leaders are measured year-over-year as part of their performance reviews.
- B. Mandatory Human Resources Training.** Uber should train Human Resources personnel on the effective handling of complaints, including the

proper and thorough investigation of complaints of harassment, discrimination, or retaliation, as well as the appropriate documentation of investigations and record-keeping, and develop policies and processes relating to record-keeping. Training should include how to identify when employee complaints or disciplinary decisions should be escalated to the Legal organization for review.

- C. Mandatory Manager Training.** As with leadership, we recommend significant training for managers, particularly new or first-time managers. Uber should adopt a comprehensive, live, required training program for all managers that is updated and repeated at regular intervals. Training should focus on diversity, inclusion, and unconscious bias (in line with training offered to senior leaders), but should also cover important fundamental skills necessary for effective management, including how to communicate with and value all employees, maintain a proper managerial relationship, provide constructive feedback to employees, help employees set personal career goals, appropriately evaluate employee performance according to the company's values, consistently apply the company's transfer and promotion policies, and handle performance-related issues and complaints of unfair treatment. Any program should also include training on general Human Resources issues, equal employment opportunity and bias, harassment, discrimination, and retaliation policy compliance, and record-keeping. Training should include programs to help managers and Human Resources employees recognize legal issues and learn how to elevate them to the Legal organization when necessary and appropriate.
- D. Interview Training.** Uber should require employees who routinely interview candidates, including all "Bar Raisers," to undergo training on interviewing skills, conducting inclusive interviews, and unconscious bias. This training is best conducted in person and attendance should be tracked. Uber should standardize the interview process, including both the questions asked, evaluation of the candidate following the interviews, and the method of providing feedback.

VI. Improvements to Human Resources and the Complaint Process

- A. An "Owner" of Resources-Related Policies Should be Identified or Hired.** An "owner" of Human Resources-related policies should be identified or hired—an individual responsible for drafting new policies and updating existing policies, through whom all updates to the policies flow, and who also serves as a repository of critical information relating to Uber's policies and practices.
- B. Increase Management Support for Human Resources.** Senior leadership at Uber should publicly support and embrace the value of Human Resources not only as a recruiting organization, but as an organization that works to protect and retain Uber's most important asset: its people. It is critical to the goal of establishing trust that Human Resources be seen as vested with true authority to act on all issues affecting employees. Leadership needs to further demonstrate its support by following through on recommendations made by Human Resources with respect to employment-related actions and ensuring that Human Resources is properly resourced with financial support and personnel to properly carry out its role. Uber should consider adopting a zero-tolerance policy for substantiated complaints of discrimination and harassment, without regard to whether an employee is a "high performer" or a long-term employee.

- C. Provide a Robust and Effective Complaint Process.** To address harassment, discrimination, and retaliation in the workplace, it is imperative that there be an effective complaint process in place for employees to escalate issues. Complaints should also be properly tracked and addressed as efficiently and quickly as possible. Uber should enhance communication to employees concerning how and to whom they can raise complaints about harassment, discrimination, and retaliation. Uber should develop and communicate multiple avenues for lodging a complaint, including an employee's immediate manager or next-level manager, the organization's Human Resources Business Partner, or the Integrity Helpline. This encourages employees who may otherwise fear retaliation to come forward, knowing that there are multiple avenues they can utilize if they have a concern. Finally, Uber should ensure appropriate processing and tracking of complaints and invest in appropriate Human Resources tools, including complaint tracking software that is robust, secure, and accessible by those who need information on a need-to-know basis. This will help ensure that complaints are dealt with promptly, appropriately, and consistently, and will lead to better tracking and data collection.
- D. Establish Protocols with Respect to Escalating Complaints.** Uber should establish protocols with respect to escalating complaints that require investigation. There should be clear guidelines for managers and Human Resources Business Partners so that it is clear to everyone when a complaint should be further investigated and addressed. Uber should also establish protocols that outline when members of the Legal organization should be consulted to ensure that there is consistent treatment across the company and legal risk is being managed appropriately. A complaint that implicates unlawful harassing or discriminatory conduct but does not result in termination should be brought to the attention of the Legal organization; likewise, any termination involving an employee who has raised any concerns of harassment, discrimination or retaliation, is in a protected category, has taken any protected leave, or has requested a workplace accommodation for a disability should be elevated for review by the Legal organization before it is effectuated.
- E. Devote Adequate Staff and Resources to Human Resources.** Uber should engage a Human Resources consultant to provide input on the appropriate structure and size of the Human Resources organization and, at a minimum, prioritize an increase in the headcount for Human Resources Business Partners across Uber's various regions. According to an analysis by the Society for Human Resource Management, the average number of Human Resources Business Partners for a company of Uber's size is approximately 57. Uber should quickly manage out poor performers within the Human Resources organization.

VII. Diversity and Inclusion Enhancements

- A. Establish an Employee Diversity Advisory Board.** Uber should consider establishing an employee diversity advisory board, comprised of members of each of Uber's Employee Resource Groups, to ensure consistency across diversity efforts and funnel input and ideas to the Head of Diversity. This could be in addition to or in lieu of an oversight committee. This board could help ensure consistency across diversity efforts and funnel employee feedback to the Head of Diversity and his staff.

- B. Regularly Publish Diversity Statistics.** The Head of Diversity (or Chief Diversity and Inclusion Officer) should set goals with respect to annual improvements in diversity and regularly publish data on Uber’s diversity and inclusion numbers to judge how the company is meeting its goals. This should also include diversity statistics of new recruits each year and goals for improving diversity year-over-year among recruitment of underrepresented populations across the company and in various programs and organizations. The Head of Diversity should also publicize the company’s initiatives, accomplishments, and areas still needing improvement.
- C. Target Diverse Sources of Talent.** Uber should target diverse sources of talent, including alternative and non-traditional sources of recruiting, and develop deeper partnerships with Historically Black Colleges and Universities and Hispanic-Serving Institutions.
- D. Utilize Blind Resume Review.** Uber should engage in blind resume review. Blind resume review eliminates any indicia of gender or ethnic background, including name and personal information, so that the reviewer has access only to the candidate’s substantive skills and experience. Likewise, if possible, Uber should utilize blind review of the exercises required for candidates in technical and engineering positions.
- E. Adopt a Version of the “Rooney Rule.”** Uber should utilize the Rooney Rule for women and other underrepresented populations for key positions, wherein each pool of candidates interviewed for each identified position includes at least one woman and one member of an underrepresented minority group, thereby ensuring that members of the populations currently underrepresented in Uber’s workplace are interviewed with appropriate consistency. The Rooney Rule has its origins in the National Football League. It requires NFL franchisees to interview at least one minority candidate for all head coach and general manager positions. The success of the Rooney Rule is documented, with research showing a noticeable increase in the number of minority head coaches hired since its adoption.¹ Uber should include at least one woman and/or member of a population currently underrepresented on each applicant interview panel—not just the panels for diverse applicants—to ensure diverse perspectives in the feedback and evaluation of candidates for positions at Uber and to reduce the potential impact of unconscious bias.
- F. Adopt and Promote a Sponsorship Program.** Uber’s diversity efforts would benefit greatly from the establishment of a sponsorship program. A “sponsor” is an employee who is in a position to promote the success of a more junior employee, or protégé, within the company, and does so. Sponsorship relationships positively affect pay, retention, ambition, and career advancement. By establishing a sponsorship program, Uber will better engage top performers

¹ Christina Passariello, “Tech Firms Borrow Football Play to Increase Hiring of Women,” *Wall Street Journal*, September 27, 2016, <https://www.wsj.com/articles/tech-firms-borrow-football-play-to-increase-hiring-of-women-1474963562>; Janice F. Madden and Matthew Ruther, “Has the NFL Rooney Rule’s Efforts “Leveled the Field” for African American Head Coach Candidates?”, *Penn State Journal of Sports Economics* (2010), http://repository.upenn.edu/cgi/viewcontent.cgi?article=1019&context=psc_working_papers.

and strong managers to lead junior employees, helping to guide their successful career development within the company. Uber must take several steps to incorporate any such initiative into its culture, including: building awareness for the program; targeting key populations that can benefit from the program; creating pathways to lead people towards embracing the program; identifying senior leadership to participate and act as sponsors; educating sponsors on the program's goals, the benefit of communicating experience to protégés, and the benefit of active participation in the program; educating potential protégés on the program, urging them to participate, and not merely assigning sponsors and protégés, but instead giving discretion to sponsors to choose one or more protégés to sponsor from among a group of high-performing, mid-level employees that the company has targeted for retention; and making sure to implement active program administration that includes continued education and oversight. In addition to incorporating the sponsorship program into its culture, Uber must also develop the program's structure. Beyond merely pairing sponsors and protégés, a formal sponsorship program should consist of guidelines for the program and resource materials for the participants, as well as timelines for reviewing the program's effectiveness and methods for ensuring that sponsors take their role seriously, such as incorporating sponsorship in performance goals or incentive compensation.

- G. Recognize and Support Employee Diversity Efforts.** Uber should recognize and support efforts that employees undertake to improve Uber's workplace environment through the performance review process. Uber should consider adopting a requirement or recommendation that employees spend a portion of their time on "non-core" job duties devoted to contributing to Uber's workplace environment, such as devoting time to an Employee Resource Group, a diversity initiative, or the "Bar Raiser" program. Participation in these efforts should be credited in the performance review process to ensure that employees receive recognition and reward when they are making time to contribute in this valuable way to Uber's success.
- H. Recognize Managers for their Diversity Efforts.** Managers who are achieving success with diversifying their organizations should be recognized across the company and their skills and techniques used as a platform to train other managers.
- I. Review Benefits Offerings.** Uber should review its benefits and adopt policies and benefits that are known to attract and retain a more diverse workforce. This includes, for example, parental leave policies that provide parity in leave regardless of whether the person taking leave is a birth mother or father and regardless of whether the child is a natural born, adopted, or foster child, or modification of leave policies to distinguish between "primary caregivers" and "secondary caregivers" rather than between mothers and fathers. Additional consideration should be given to policies that govern "off-ramping" to parental leave and "on-ramping" back into the workplace to ensure consistent and fair treatment of parents taking leave.
- J. Unconscious Bias Review.** Uber should continue to review company communications and materials used in the hiring process (and elsewhere in the company), as Uber has done for job descriptions, to reduce bias in written company materials.

- K. Coordinate Efforts.** To the extent that any offices are engaging in their own independent efforts with respect to diversity and inclusion, Uber should require that all offices obtain approval for these initiatives through the Head of Diversity. This will help to coordinate diversity and inclusion efforts throughout the organization and allow Uber to conduct a legal review of any independent initiatives.
- L. Solicit Feedback from Employees.** The company should consider repeating online, anonymous focus groups with a reputable consultant on a regular basis in order to provide a further forum for employees to more broadly share their feedback outside of static surveys, learn from and understand the concerns of other employees, and gauge employee opinion of ongoing diversity and inclusion efforts year-over-year. The results from these groups should be made available within the company.

VIII. Changes in Employee Policies and Practices

- A. EEO Policies.** Uber should update its discrimination and harassment policies to be clear that any conduct that appears to be based on a person's protected characteristic is prohibited, even if it is not unlawful. Policies should also be clear that managers must immediately report instances of discrimination, harassment, or retaliation of which they become aware to their Human Resources Business Partner for further investigation. Policies should clearly state that employees are protected from harassment not only by other employees, but also non-employees such as vendors, clients, contractors, and other third-parties. Human Resources should emphasize the importance of adhering to the existing policies and codes of conduct for work events such as offsite conferences and meetings, including those held at hotels and resorts. It should not be necessary to draft separate policies for these events. Policies should be applied consistently throughout the organization. No special treatment should be given to any employee, regardless of level, tenure, or past performance. Uber should consider adopting a zero tolerance stance for violations of the anti-harassment, anti-discrimination, and anti-retaliation policies no matter the level or performance of the perpetrator. Combined with consistent and equal application of Uber's policies at all levels of the organization, this will increase employees' trust in Human Resources and management.
- B. Prohibit Romantic or Intimate Relationships Between Individuals in a Reporting Relationship.** Uber should develop specific and clear guidance concerning appropriate workplace relationships, including making clear that any type of romantic or intimate relationship between individuals in a reporting relationship (either direct or indirect) is prohibited. If employees in a reporting relationship find themselves in a romantic or intimate relationship, they must be required to immediately report it so that appropriate action can be taken, including making sure that the individuals are not in any type of reporting relationship (direct or indirect) going forward. Although it is not realistic to prohibit all romantic and intimate relationships in the workplace, it should be emphasized more generally that with respect to such relationships, Uber will not tolerate any form of harassment, discrimination, or retaliation.

- C. Institute and Enforce Clear Guidelines on Alcohol Consumption and the Use of Controlled Substances.** Uber should take steps to provide clear guidelines about acceptable and unacceptable uses of alcohol and strictly prohibit the use of controlled substances, including prohibiting consumption of alcohol during core work hours and prohibiting consumption of non-prescription controlled substances during core work hours, at work events, or at other work-sponsored events. With respect to alcohol consumption at after-hours work events and at other work-sponsored events, Uber should consider limiting the budget available to managers for alcohol purchases, restrict reimbursement for alcohol-related events, and include training for managers on appropriate events for retreats and out-of-work events. Uber should also encourage responsible drinking, which can include limiting the amount of alcohol that is available in the office, de-emphasizing alcohol as a component of work events, and otherwise taking appropriate action to discipline and address inappropriate employee conduct fueled by alcohol consumption. Uber should support work events in which alcohol is not a strong component to ensure that employees who do not partake in consumption of alcohol still have opportunities to engage in networking and team building activities.
- D. Remove Transfer Barriers.** In order to prevent abuse of the internal transfer process, Uber should take several actions. Uber should post job openings across the company so that all employees are aware of and can apply for transfer opportunities, including opportunities to transfer teams. Uber should also modify the transfer request process to eliminate the manner in which performance is factored into the transfer request—for example, adopt a policy whereby employees may be permitted to transfer at least once during a pre-determined period of time (such as the first year of employment) without regard to performance (provided they have the requisite skills and there is an appropriate opening elsewhere in the company). Uber should also have each transfer request be reviewed by an independent evaluator, preferably an employee in Human Resources. An individual evaluator can determine whether the employee is requesting a transfer for reasons relating to a difficult or divisive work environment, or if a supervisor is attempting to block a transfer for improper purposes. This process will help to both regularly monitor cultural issues and prevent discriminatory conduct from affecting workplace decisions. To the extent possible, Uber should track all transfer requests in order to monitor the patterns of such requests and to review the transfer request history of specific employees if needed or appropriate, for example, to assess the consistency and impact of the grant or denial of requests.
- E. Modify Uber’s Performance Review Process.** In order to avoid unfair application and restore employee trust in the performance evaluation system, Uber should take steps to eliminate bias and misuse of the performance review process. Recognizing that Liane Hornsey has made progress in addressing the performance review system, the Board should consider the following in that process. Uber should emphasize individual goal-setting and continuous feedback. Goal-setting helps employees identify specific targets that are in line with their managers’ expectations and the company’s needs and eliminates subjectivity. Continuous feedback will also eliminate surprise during performance evaluations and help prevent employees from needlessly missing benchmarks. Managers should be required to meet one-on-one with their direct

reports on a regular and frequent basis, and should themselves be measured on achieving this requirement. Uber should also increase transparency in the performance evaluation process. Without a transparent explanation of the review process, employees are often left to guess about the reasons for a bad review. To increase transparency, Uber should identify company and organization targets and measure individual goals against those targets. Uber should further strive to eliminate subjectivity and bias from the performance evaluation process. Checks and balances, unconscious bias training, and an independent committee or blind review process together could help to alleviate subjectivity in performance reviews. Uber should also make participation in efforts to improve Uber's workplace culture a metric against which employees are measured, in order to ensure that employees receive recognition and reward when they are making time to contribute to Uber's success in ways that are outside the "core" duties of their position. Devoting time to an Employee Resource Group, a diversity initiative, or the "Bar Raiser" program, for example, should be recognized as a value to the company in the performance review process. Finally, Uber should end the current practice of calibration. Calibration applies a forced curve that diminishes the impact of data, can heighten the impact of subjectivity, and introduces an element of randomness into the review process. It has been used and rejected by major companies that have found it ineffective and detrimental to employee morale. If the performance evaluation process is based on objectivity and data, then there should be no need to force calibration into the process and unnecessarily downgrade or devalue otherwise solid performers.

- F. Make Promotion Requirements Clearer.** A formal process for self-nominations and peer-/manager-nominations submitted to an independent committee will bring more legitimacy and fairness to the promotion process.
 - G. Flexible Work.** Uber should consider adopting flexible work arrangements, including a policy of permitting routine and regular remote work in appropriate circumstances, to help attract and retain employees with children and other outside obligations, and to ease the burden of commuting to Uber's urban offices, thereby increasing the chance that Uber can draw applicants from a wider geographic area.
 - H. Catered Dinner.** Uber should consider moving the catered dinner it offers to a time when this benefit can be utilized by a broader group of employees, including employees who have spouses or families waiting for them at home, and that signals an earlier end to the work day.
 - I. Even Application of Policies and Practices.** Policies and practices should be applied consistently throughout the organization. No special treatment should be given to any employee, regardless of level, tenure, or past performance.
- IX. Address Employee Retention.** Significant consideration should be given to evaluating the reasons that employees are motivated to leave and addressing key drivers of employee turnover. Uber should engage a consultant or undertake internal surveys to identify and address attrition that is higher than expected, across the company or within specific organizations. Required exit interviews with neutral third parties (such as Human Resources representatives) should be instituted as one method for evaluating an

employee's decision to leave and identifying trends in employee turnover, particularly among employees Uber would prefer to retain.

- X. Review and Assess Uber's Pay Practices.** Uber should comprehensively audit and review its practices, including for compliance with state and federal equal pay laws, to ensure compensation is set for legitimate business-related reasons. Although Uber is currently undertaking this audit through the use of an outside law firm, a broader cross-section of senior management should engage directly with the outside law firm to support the effort and implementation. To ensure that Uber truly appreciates the value of equitable pay, members of senior management and the Compensation Committee of the Board of Directors should be tasked with participating in this review, and overseeing and responding to the recommendations of the outside law firm on pay, to ensure a tone of support and a culture of compliance for the work that is being done.