

# ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT (ESG) 2021





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# 1: INTRODUCTION

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## A MESSAGE FROM OUR CEO

**At Avis Budget Group, our purpose is to provide safe, sustainable, and equitable transportation solutions to anyone, anytime, anywhere. We recognize the importance of our role as one of the world's leading global transportation providers. As a result, we promise to support the transition to a low-carbon economy and employ practices that promote a more fair, just and equal workplace and community. I am proud to announce our ambitious 2030 targets, which set out our sustainability approach to addressing the environmental impacts of climate change and the social impacts of racial inequalities.**

In this year's report, we update our performance for the year 2020, which was the most challenging year in our Company's history. Our ability to successfully navigate the COVID-19 pandemic was a testament to our strong corporate culture and the resilience of our employees worldwide. Through the lens of our Environment, Social and Governance (ESG) Report, the story of our culture and stakeholder focus during COVID-19 truly comes to life; from our efforts to provide a safe environment for our employees and customers, to our initiatives to support frontline healthcare workers and ensure delivery of medical supplies worldwide. We also repositioned ourselves during the global downturn in travel for sustained success and growth in a post-pandemic world, as the way we live, work, and travel has shifted. The world changed, and so did we.

So, where do we go from here? Avis Budget Group remains committed to innovation and moving the future of transportation forward. To deliver on this commitment, we will continue to operate as a values-based organization and remain focused on the economic, social and environmental forces that will shape the health and prosperity of our business and the world. In this report, you will learn more about our vision for safe, sustainable and equitable transportation solutions. In addition, we will share how we are engaging with

employees, customers, communities, shareholders, suppliers and key partners to bring this vision to life around the world. You will also learn more about our deep commitment to address systemic inequities and combat hate and discrimination, enabled by our #PowerofDIFFERENT initiative.

We believe that Avis Budget Group is uniquely positioned to make a sustainable difference to address some of the greatest challenges and opportunities that we, as a global community, have ever faced. We will leverage our scale, our deep industry knowledge, our capacity to innovate, coupled with the emergence of new models for transportation solutions to propel Avis Budget Group's contributions to sustainable development in the decades to come. Our ambitions are high, and we humbly acknowledge that we are only at the very beginning of our journey.

Thank you for your interest in learning more about Avis Budget Group's progress on its ESG strategies and programs. We look forward to continued collaboration with our stakeholders to move the future of transportation solutions forward.

**Joe Ferraro**  
President and Chief Executive Officer



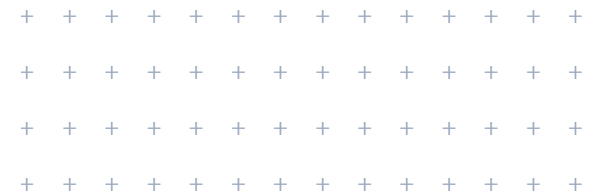
## OUR ESG PURPOSE STATEMENT:

We will provide **safe, sustainable, and equitable** transportation solutions to **anyone, anytime, anywhere.**



## OUR COMPANY PROMISE:

As a leading global transportation provider, we promise to support the transition to a **low-carbon economy** and employ practices that promote a more **fair, just, and equal workplace and community.**



## WHO WE ARE

We are a leading global provider of transportation solutions, operating three of the most recognized brands in the industry through Avis, Budget and Zipcar, the world's leading car-sharing network.

Together our brands offer a range of options, from car and truck rental to on-demand car sharing, that bring vehicles closer to where and when customers need them, by the minute, the hour, the day or longer.

# 10,600

locations (including 4,300 licensee operated) across 27 corporate countries and 150 licensee countries

# 533,000

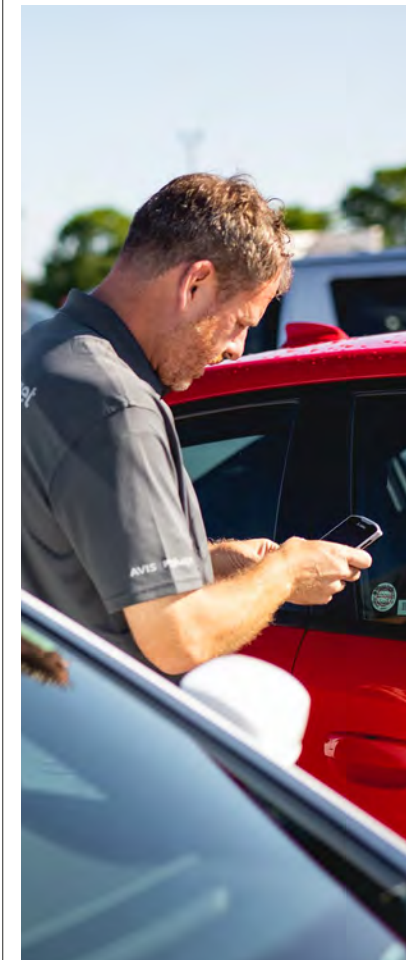
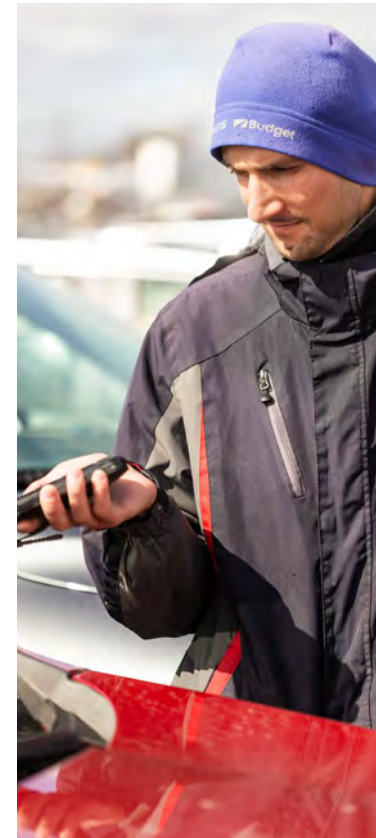
vehicles in our fleet

# 235,000

connected vehicles in our fleet

# 20,000

employees worldwide



# 70+

years' experience managing global fleets

# 22

million vehicle rental transactions worldwide





## ABOUT THE REPORT

In this report, we align our efforts to a number of industry-recognized standards and frameworks:

### GRI STANDARDS:

We publish our annual ESG report in accordance with the Global Reporting Initiative (GRI) Standards, a globally recognized framework for disclosures on environmental, social and governance performance issues most important to our business and stakeholders.

### SASB STANDARDS:

We include disclosures identified by the Sustainable Accounting Standards Board (SASB) for the Car Rental Industry. SASB is an independent, non-profit organization with a mission to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors.

### CDP:

Every year, we publicly report on strategy and performance for the Carbon Disclosure Project (CDP) Climate Change and Water Security program, which represents investors with more than \$1 trillion in assets, together with participating corporate customers.

### TCFD RECOMMENDATIONS:

This year, we have included a module that aligns with the recommendations set forth by the Task Force for Climate-related Financial Disclosures (TCFD). The Task Force's report establishes recommendations for companies to disclose clear, comparable and consistent information about the risks and opportunities presented by climate change.

### UNITED NATIONS SDG:

Our work is also aligned to the United Nations (UN) Sustainable Development Goals (SDGs) in which we have identified where we can make the greatest impact.

This report covers our 2020 ESG performance, and our response to the COVID-19 pandemic.

# ESG HIGHLIGHTS



Total of **16,500** hybrid and **1,250** Electric Vehicles (EV) globally, one of the **largest low emission fleets** in our industry



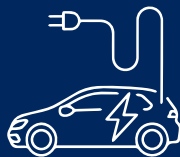
**85%** of our fleet is rated 26 miles per gallon (highway) or better and **37%** are U.S. **EPA SmartWay** certified



Launched **Avis EV rental program** to support Uber drivers transition to **zero-emissions** vehicles in Los Angeles



**25%** of our vehicles in Norway and Sweden are **hybrid and electric**, and we own the largest publicly available EV fleet in the United Kingdom



Zipcar celebrated **20 years** as the world's leading car-sharing network with **1 million** members. For each Zipcar, up to 13 personally-owned cars are taken off the road.





# ESG HIGHLIGHTS

Named on **America's Top 50 Corporations for Multicultural Business Opportunities** in 2020, also known as the **#Omni50**



## #PowerofDIFFERENT

Diversity initiative, supported by three Employee Resource Groups (ERGs); one each for women, people of color and veterans



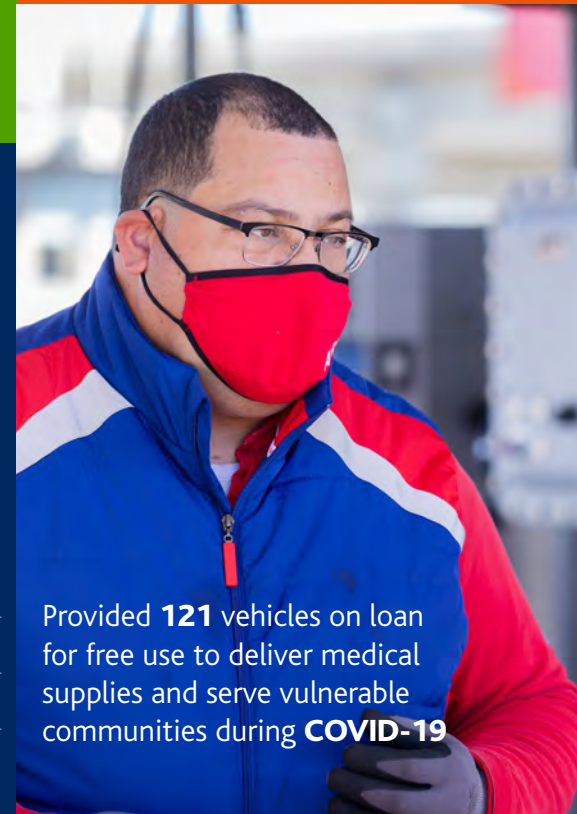
Have long-term partnerships with **Make-A-Wish®** and **Susan G. Komen**



Expanded our partnership with **Via** adding more than **15 market locations** enabling us to service transit "deserts" and meet other transportation needs



Spent **\$1.7 billion** on certified diverse suppliers in 2020, and remained a member of the exclusive **Billion Dollar Roundtable**



**Equitable transportation programs** delivered through Zipcar brand to **500 cities** and towns and nearly **500 universities** across the globe



Provided **121** vehicles on loan for free use to deliver medical supplies and serve vulnerable communities during **COVID-19**

More than **213,000** zero emission miles driven through Zipcar's Our Community CarShare program



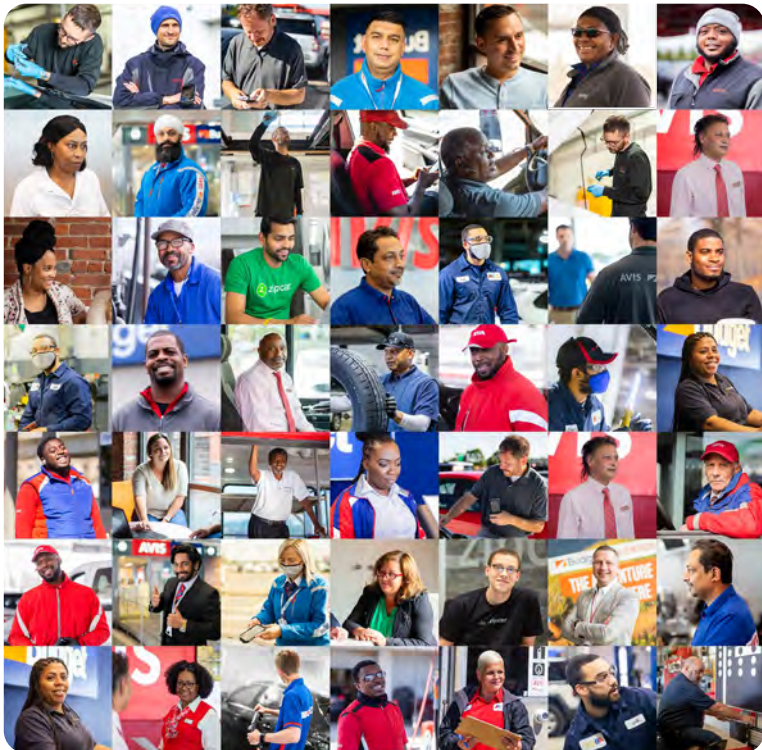


## 2: ROADMAP TO 2030



# OUR 2030 TARGETS

These targets outline how our comprehensive, proactive and ambitious approach to achieving sustainability is fundamental to addressing the environmental impacts of climate change and the social impacts of racial inequalities.



## ENVIRONMENTAL



**REDUCE ABSOLUTE GREENHOUSE GAS EMISSIONS BY 30%**



**MINIMIZE WATER FOOTPRINT BY 30% PRIORITIZING WATER STRESSED LOCATIONS**



**ACHIEVE ZERO WASTE-TO-LANDFILL FOR TIRES, WINDSHIELDS, MOTOR OILS, CAR BATTERIES**

## SOCIAL



**MAINTAIN 100% GENDER PAY EQUITY**



**REACH \$10BN DIVERSE SUPPLIERS SPEND**



**MAINTAIN 50% DIVERSITY**

## GOVERNANCE



**TRAIN 100% OF RENTAL SALES ASSOCIATES TO HELP COMBAT HUMAN TRAFFICKING**



## ESG AT ABG

**Avis Budget Group is committed to advancing, now more than ever, our ESG strategy.**

During our multiyear journey, we will fully embed our ESG principles into our business strategy, operations and all stakeholder engagement to truly play a leading role in the transition to a sustainable, low carbon economy and a more just, fair and equal workplace and society. We recognize that this is not an immediate transition – however, we are committed to a continuous improvement approach through refining our strategies, facilitating conversations and taking action to drive internal change and influence external change.



## WHERE WE FOCUS

### Decade of Action and Transformation

**Since our humble beginnings in 1946, our success has been predicated on building strong, mutually beneficial relationships with stakeholders across our value chain. Fast forward to today, through our ESG strategy, we are building upon our strengths and deepening our spirit of partnership to address the global challenges and support our Company's purpose, our commitment to innovation and moving the future of transportation solutions forward.**

In 2020, we faced the most difficult year in our Company's history; however, it also proved to be one of Avis Budget Group's most formative years, shaped by the enormous challenges of the COVID-19 pandemic, climate change and the social injustice movement. When faced with unprecedented adversity, we not only persevered, but also transformed our business to deliver sustainable, responsible growth to our shareholders and demonstrated our continued commitment to our exciting ESG agenda.

A comprehensive, proactive and ambitious approach to achieving sustainability is fundamental. At Avis Budget Group, we are joining the UN's call to take bold action to accelerate business contribution and mobilize for a Decade of Action to deliver on the global SDGs by 2030.



**Advancing the United Nations Sustainable Development Goals**

At Avis Budget Group, we recognize the importance of the UN 2030 Agenda for Sustainable Development. The UN SDGs are a normative outlook on the world, meaning that it sets the goals to which the world should aspire to help guide the future course of economic and social development. The UN SDGs calls for widespread economic progress where, extreme poverty is eliminated, social trust is encouraged through policies that strengthen the community, and the earth’s physical environment is protected from human-induced degradation.

We are aligning our actions to meaningfully support and achieve the UN SDGs in the following areas:



**VEHICLE and ROAD SAFETY**

**Our Long-Term Focus:** Partnering to help reduce the number of injuries and casualties globally.

**2020 Milestones:** 60% of our U.S. fleet and 75% of our international fleet is rated 5 stars in Overall Crash Rating by the NHTSA and Euroncap respectively.



**WOMEN and GIRLS**

**Our Long-Term Focus:** Empowering women and girls across our value chain

**2020 Milestones:** In 2020, the average base salary placement for women and men in management positions was at 100% parity.



**WATER**

**Our Long-Term Focus:** Protecting community access to clean, portable water

**2020 Milestones:** We continue to maintain and install new car wash systems that recycle and reuse up to 80% of their wastewater. In our international operations, we have implemented waterless cleaning processes.



**INCLUSIVE ECONOMIC GROWTH**

**Our Long-Term Focus:** Leveraging the power of mobility to create local jobs and economic opportunity for all.

**2020 Milestones:** 59% of our current U.S. employees and 67% of our U.S. new hires are diverse.



**SUSTAINABLE MOBILITY**

**Our Long-Term Focus:** Partnering with government agencies and mobility innovators to relieve congestion and make cities smarter

**2020 Milestones:** We have reached nearly 500 cities and 500 university campuses across the globe, enabling a sustainable and equitable future for urban living through Zipcar.



**CLIMATE CHANGE**

**Our Long-Term Focus:** Advancing low-carbon transportation solutions and community resilience

**2020 Milestones:** Launched our GHG emission reduction target of 30% by 2030.



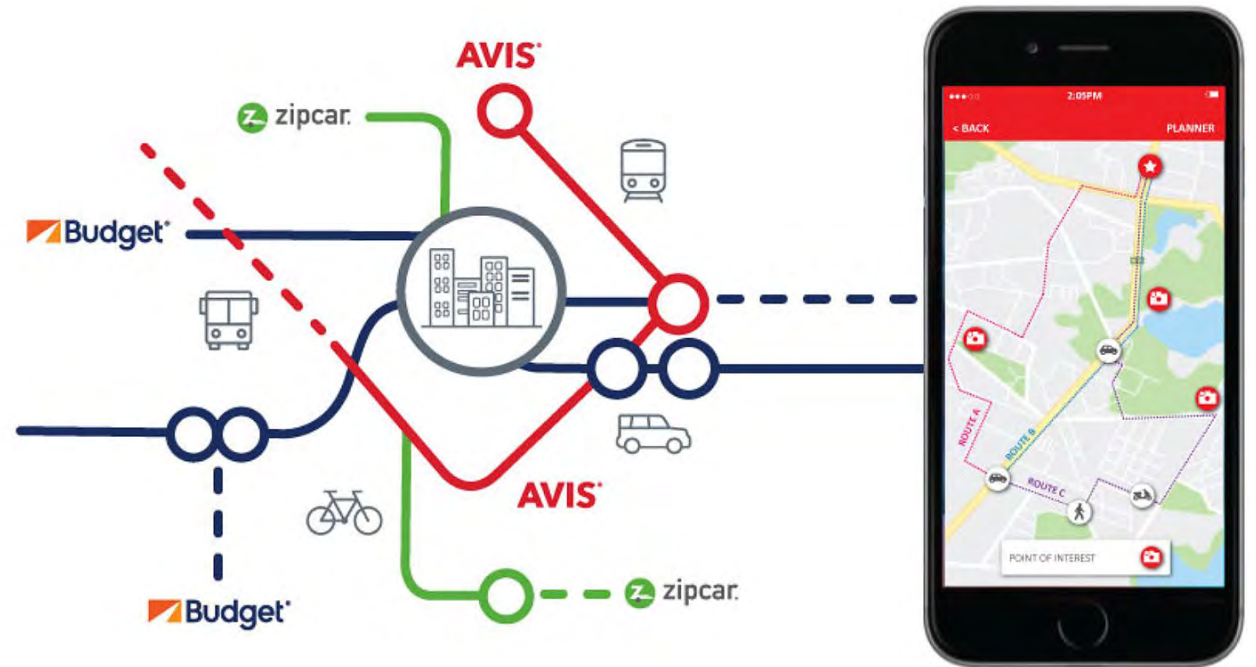
# VISION FOR THE FUTURE OF MOBILITY

We are creating a world where mobility is completely connected, integrated and on-demand. In this world, our customers will discover more time and productivity through streamlined transportation options, businesses will see an opportunity to innovate through the application of our connected car data intelligence, communities will become better places to live through our car sharing services and integrated mass transit partnerships and our natural environment is cleaner as we play an active role to the expected transition to a low-carbon economy.

## Roadmap for Sustainable, Inclusive Transportation Solutions

At Avis Budget Group we continue to build new platforms, developing technologies and capabilities to further revolutionize the rental experience, and evolving our business to meet the present and future needs of our customers. People want access to transportation and having access to a vehicle through different channels is going to be part of how we provide consumers with a transportation solution.

We are leveraging innovation to drive sustainable and equitable transportation, better customer experiences and position our Company as a leading global provider of the next generation of transportation solutions. We have also formed a range of new partnerships and developed services to ensure that we remain at the forefront in our industry.



### Smart Vehicles. Smart Cities. Smart Infrastructure

The rise of intelligent vehicles is paralleled by the rise of smart cities, and both will need to be connected. Mobility is a holistic ecosystem, and a key to sustainable transportation in cities is the integration of various modes of transport with infrastructure management systems for the exchange of critical data to power new services and create new efficiencies.

Our growing fleet of connected vehicles around the world enables us to securely collect and manage real-time anonymized data – in compliance with international data privacy regulations and standards – that we can exchange with partnering urban developers to plan smarter cities and safer infrastructure.

For instance, incorporating aggregated data from connected vehicles into smart city solutions can provide deeper insight for congestion management, traffic flow and route optimization, transportation system planning, emissions management, parking management, and more. Similarly, having a connected fleet will also allow us to streamline operations and reduce costs, including more sophisticated tracking of idle vehicles and employing more dynamic fleet planning. Critical data including mileage, fuel level and vehicle condition can also be shared real-time, resulting in a more efficient workforce, better maintained vehicles, and an overall better customer experience.





“Zipcar provides members the freedom to move in **safer, smarter** and more **affordable** ways, with the **flexibility** of car sharing.”

– VIKRAM SINGH –  
EXECUTIVE VICE PRESIDENT,  
NEW MOBILITY



### Equitable Transportation

We continuously seek to design and expand mobility services that improve transportation access and people’s lives. In 2020, the global COVID-19 pandemic significantly impacted city life and transit ‘desert’ areas, including our ability to move about efficiently, affordably and freely. Access to a vehicle has become more difficult and important than ever. Whether that is to get groceries, care for loved ones, or take any other essential trips while social distancing. And as a result, there is a renewed emphasis on car ownership that creates more inequities in our communities.

Owning a car shouldn’t be a requirement to get to a doctor’s appointment, a job interview or visit family, and access to a car shouldn’t be limited to those who can afford to own one. A recent survey from Zipcar and research firm Engine Insights found that four out of five urban dwellers say it’s now essential to have access to a car.

Being part of a community means acting as one, and car sharing encourages just that. That’s where Zipcar comes in – we help everyone trade individual ownership for collective sharing. The only long-term, sustainable mobility solutions for the many people, are ones that enable affordable access, maximize the use of shared space for all, and make our streets safer, less crowded and less polluted. We’re at a pivotal moment to make mobility more responsible, equitable, and sustainable. By owning less, we all have more.



CLICK TO VIEW VIDEO



**HIGHLIGHT**  
Zipcar has spearheaded a ‘floating’ car sharing service in London, which allows members to **spontaneously** jump into a car and **drive one-way** with the ability to drop the car off in one of thousands of spaces within a designated ‘Zipzone’.

<sup>1</sup> Survey of 610 U.S. adults from urban communities, August 26-30, 2020.

# MATERIALITY AND STAKEHOLDER ENGAGEMENT

## Materiality

In a fast-paced changing world, we regularly evaluate, align and focus on advancing our strategy, programs and reporting in areas where we can drive the greatest impact. Guided by insights gained from engaging with our stakeholders, we have prioritized a set of the most material environmental, social and governance topics to Avis Budget Group.

## ESG Materiality Matrix

Importance to our Stakeholders	Very High	<ul style="list-style-type: none"> <li>Biodiversity and Ocean Conservation</li> <li>Responsible Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Local Economic Benefits</li> <li>Greenhouse Gas Emissions</li> </ul>	<ul style="list-style-type: none"> <li>Customer Experience</li> <li>Diversity and Inclusion</li> <li>Mobility Innovation and Partnerships</li> <li>Vehicle and Road Safety</li> </ul>
	High	<ul style="list-style-type: none"> <li>Waste</li> <li>Supply Chain Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Human Rights</li> <li>Community Engagement and Investments</li> </ul>	<ul style="list-style-type: none"> <li>Inclusive Transportation Solutions</li> <li>Employee Engagement and Benefits</li> </ul>
	Medium	<ul style="list-style-type: none"> <li>Public Policy Participation</li> <li>Labor and Management Relationships</li> </ul>	<ul style="list-style-type: none"> <li>Employee Training and Development</li> <li>Water</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Ethics, Anti-Corruption and Compliance</li> </ul>
		Medium	High	Very High

Relevance to our Company's Business Model

## Stakeholder Engagement

Our ability to drive progress toward material ESG issues is dependent on active engagement with our stakeholders:

### Our Stakeholders

### How We Engage

 <p><b>Shareholders</b></p>	<p>We aim to deliver sustainable, responsible growth to our shareholders, demonstrating our commitment to best-in-class ESG practices.</p>
 <p><b>Customers</b></p>	<p>Customers are and will always be at the heart of everything we do. We are constantly innovating our proposition to meet their changing demands. For example, in response to the global pandemic, we accelerated our plans to offer an increasingly contact-free experience for our customers, ensuring they could rent with confidence from us.</p>
 <p><b>Employees</b></p>	<p>We strive to maintain a strong pulse on the needs and expectations of our employees through employee surveys, two-way communication channels, regular manager check-ins and career development programs.</p>
 <p><b>Communities</b></p>	<p>We partner with government agencies and non-profit organizations to strengthen community resilience and improve community prosperity.</p>
 <p><b>Licensees</b></p>	<p>We provide licensees with economic opportunities and resources to support our Company and its brands' commitment to corporate citizenship.</p>
 <p><b>Mobility Partners</b></p>	<p>We have entered into partnerships with innovators, including Waymo, Via, Otonomo and Uber to leverage our fleet and data capabilities to promote ride sharing, reduce congestion and make cities smarter.</p>
 <p><b>Suppliers</b></p>	<p>Guided by the expectations set forth in our Third Party Standards of Conduct, we actively partner with suppliers to manage risks and create shared value.</p>







# 3: ENVIRONMENT

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We are committed to offering the greenest, smartest and safest fleet in our industry and deliver on this promise through:



### Fleet optimization:

which includes leveraging, connected vehicle technology



### Fleet efficiency:

by introducing more fuel efficient and low emission vehicles



### Focus on sustainable transportation solutions:

by expanding car sharing solutions through our Zipcar brand and electric vehicle initiatives such as our partnerships with Uber and Via.

## SUSTAINABLE TRANSPORTATION SOLUTIONS

**Connected and autonomous vehicles are likely to become a common feature worldwide, along with the increased use of electric and shared vehicles. This is an opportunity for our Company to build on our core experience, data intelligence and technology to develop entirely new lines of business and extend our offering and capabilities for our customers, businesses and cities.**

### Car Sharing

In 2013, we acquired Zipcar, the world's leading car sharing network that has played an influential role in improving city life since 2000. Found in nearly 500 cities and towns and nearly 500 universities across the globe, Zipcar is driven by a mission: **to enable simple and responsible urban living.**

Zipcar provides its members on-demand, self-service vehicles in reserved parking spaces located in neighborhoods, business districts and college campuses, as an alternative to car ownership. Members can reserve

vehicles online, on a mobile device or over the phone, by the hour or by the day, at rates that include gasoline, insurance options, and other costs associated with vehicle ownership. We also continue to offer our Zipcar Flex product in London providing for one-way rentals, including to and from Heathrow Airport. These cars can be parked in public on-street spots in 13 Boroughs across the city. We have more than 300 electric vehicles in our London fleet, available as part of the Zipcar Flex option.

Zipcar would not be able to drive the future of urban mobility without working in partnership with its network of city leaders, who also share the idea that urban mobility should be equitable and sustainable. Public partnerships are critical to the future of creating a diverse mobility network that works for everyone, from residents to commuters and visitors to cities nationwide. As important, Zipcar members support the mission of simple and responsible urban living in their communities.



### HIGHLIGHT

Car Sharing: Electrifying Brixton, London. Zipcar launched a new **electric van sharing** service for businesses in Brixton in an attempt to tackle the area's high pollution levels. It also encourages local businesses to scrap older, high pollutant vans; reduce the number of vans on the roads generally, helping to **reduce congestion and pollution** levels; reduce parking demand; and ultimately ensure businesses can continue to operate in the current and expanding ultra-low emission zone. The scheme initially ran for a 12 month trial where eligible small businesses in the area could join, and all trips were paid for by Brixton Council. This trial has now ended, but the vehicle **proved so popular** it is still available for eligible members to rent at a reduced rate. Similarly, thanks to its popularity, Zipcar has been **approached by several other Councils** to pilot similar schemes throughout London.





Our focus on **Connected vehicles** and **Smart Cities** will provide us with better information, delivered automatically in real-time. This offers **many benefits** such as a more efficient inventory process, a more efficient workforce, better maintained vehicles, increased fuel efficiency and **cost savings**, together with a better **customer experience**.

### Connected Vehicles and Smart Cities

Avis Budget Group is continuously evaluating opportunities to make sustainable transportation solutions central to our Company. Our investments in connectivity, mobile digital user experience, new technology partnerships and self-service fleet management, position us strongly for significant growth in a new mobility world.

### A Fully Connected Fleet

Our vision: "We envision a world where mobility is completely connected, integrated and on-demand."

## Executing on our vision:



### Enhancing the rental process

Empowering the customer by improving the overall customer journey



### Digitalizing the business

Redesigning existing processes to drive increased operational efficiencies



### Developing new models

Building on core experiences, opening up new lines of business

How we manage these vehicles is primarily data driven, so it means we are not only communicating better with our customers, but also with our vehicles and operations teams in-real-time. We are leveraging connected vehicles technology to drive sustainable transportation solutions and new customer experiences tied to five data-driven features:

- > **GPS:** For real-time location
- > **Vehicle telemetry data:** For real-time mileage and archival analytics with different levels of granularity (i.e., per rental, month, year)
- > **Fuel/Battery level:** For real-time fuel consumption to the 1/10th of a gallon or liter for Internal Combustion Engines, or for current battery levels for plug-in hybrid and electric vehicles

- > **Vehicle systems communication:** For real-time and archived vehicle system information such as low tire pressure and diagnostic trouble codes. We continue to work with Original Equipment Manufacturers (OEMs) to enable new vehicle sensor technology that can provide additional 'data for good' opportunities that can make smart cities smarter, roads safer, traffic flow and parking more efficient, and driving more enjoyable.
- > **Digital smart service:** This is a way for us to deliver faster, safer and easier vehicle rental for all our customers. At select locations, customers are able to skip the line and get on the road with a completely safe, contactless, no human interface, automated and express experience, including the introduction of Digital Key technologies which eliminates the need for physical keys and key fobs.

### Smart Cities

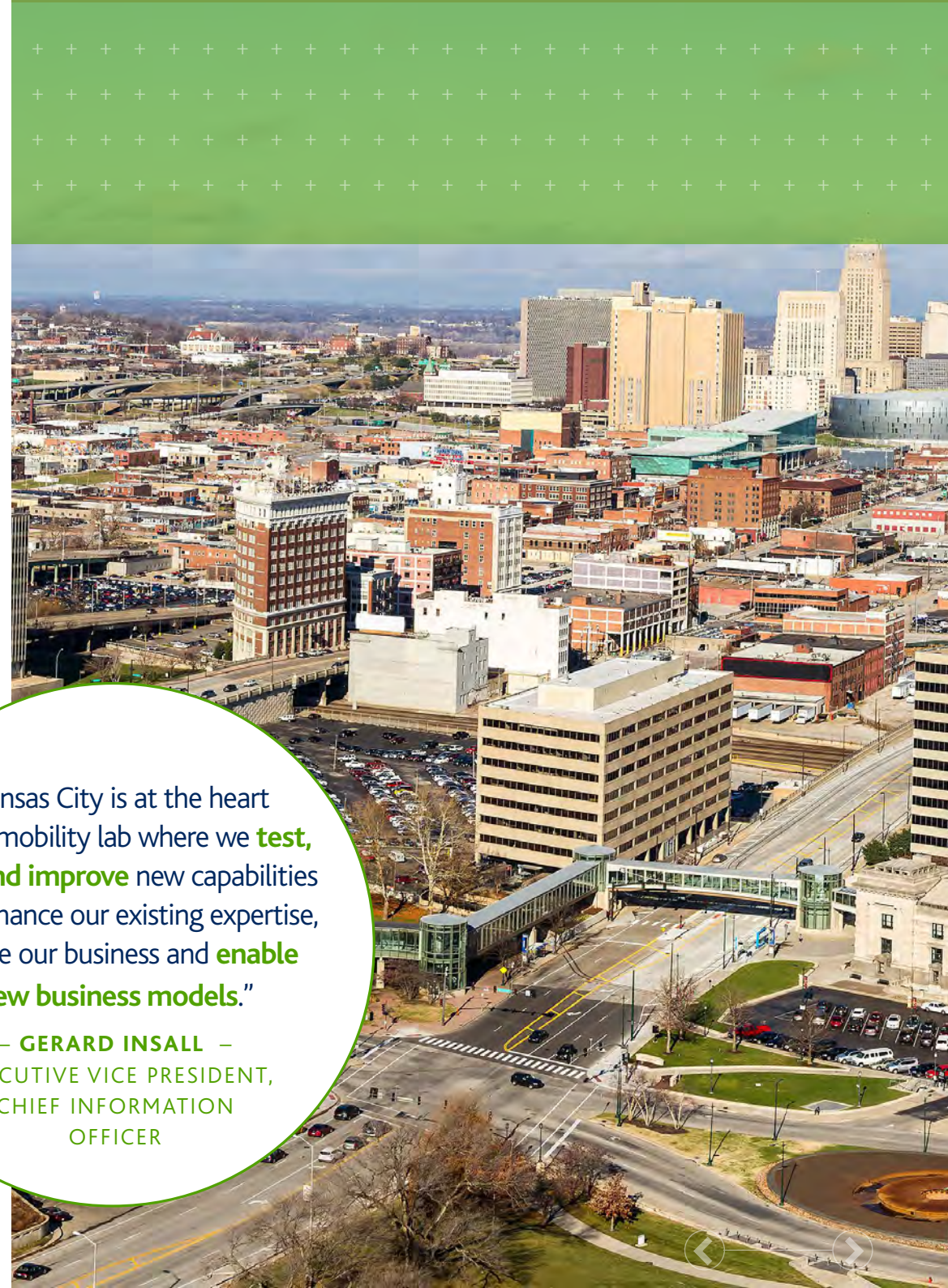
Real-time anonymized data collected from our thousands of vehicles and millions of trips can provide urban developers deeper insight for congestion management, traffic flow optimization and route optimization, transportation system planning, emissions management, parking management and more.

Launched in 2017, our "Mobility Lab" in the greater Kansas City, Missouri area serves as a test bed for developing new operational processes and learning the benefits from managing a fully connected vehicle fleet and the opportunity to expand into other smart cities initiatives. Data is a key driver of the new global digital economy, and our connected fleet data positions us to partner with more cities around the globe to power today's and tomorrow's mobility initiatives.



"Kansas City is at the heart of our mobility lab where we **test, pilot and improve** new capabilities that enhance our existing expertise, digitize our business and **enable new business models.**"

– **GERARD INSALL** –  
EXECUTIVE VICE PRESIDENT,  
CHIEF INFORMATION  
OFFICER



### Partnering with Leading Mobility Innovators

We will continue to look for partnership opportunities as we evolve our business to meet a future where mobility is completely connected, integrated, on-demand and shared, and is delivered to both consumers and businesses as a service.

### Our Community CarShare (OCCS)

Zipcar, in partnership with the Sacramento Metropolitan Air Quality Management District, the Sacramento Housing Authority, and Breathe California, launched the OurCommunityCarShare (OCCS) electric car share program in 2017. With the goal of increasing access to zero-emission vehicles for low-income Sacramentons, OCCS is a successful partnership model that has enabled clean, shared mobility.

Building on the initial success of this first-of-its-kind program, Zipcar is planning to grow its presence at communities across Sacramento. More importantly for the first time, both Housing Authority residents and Zipcar members will have access to the EV fleet and therefore clean mobility across the city.

### Uber

In 2020, we expanded our partnership with Uber to add thousands of vehicles to their drive programs in cities across North America. Through these partnerships, and digital integrations enabled by our fleet management platform's APIs, ride-hail drivers are able to seamlessly and quickly reserve an Avis rental vehicle in select cities from third-party ride-hail apps.

We are also expanding the use cases of our fleet with ride-hail partners as a result of the global COVID-19 pandemic, such as partnering to provide dedicated transport for medical workers, and delivering food and other staples to senior citizens and transportation-challenged households.

### Via Transportation, Inc.

In 2020, we added 15+ market locations through our partnership with Via – the global leader in public-private micro-transit. In the U.K. and the U.S., both municipal and independent contract drivers rent our vehicles for use through the Via platform in order to service transit "deserts" and meet other transportation needs of the cities and agencies who contract directly with Via. Via's use cases, enabled by our connected fleet, include new micro-transit initiatives for first mile/last mile solutions, paratransit customers and corporate campus transit riders.

### Digital Key and Auto Exit Gate

Finally, we continue to pioneer self-service mobility for our rental customers, building on Zipcar's self-service leadership in urban ride-share. Through our Avis mobile app and its platform, we have tested and started to launch both Digital Key technology from Continental and Auto Exit Gate services for rapid automated and secure check-outs. These and other new features are even more important as we build a truly "touchless" rental experience to set the highest levels of both safety and convenience for our customers.



## HIGHLIGHT

**Uber and Avis** are partnering to help Uber drivers transition to **zero-emissions vehicles**. Starting in Los Angeles – with plans to **expand across the U.S.** in 2021 – the partnership will allow drivers to use zero-emissions cars through a new, affordable Avis EV rental program.



# GREENHOUSE GAS EMISSIONS

Transportation is identified as the fastest-growing source of global greenhouse gas emissions, and vehicles are believed to account for at least 15% of those emissions. In addition, vehicles are the greatest source of air pollution in inner cities. As our corporate and leisure customers are becoming increasingly aware and concerned about pollution and congestion caused by vehicles, we aim to lead the way in sustainable transportation solutions and join global efforts to reduce energy consumption and greenhouse gas emissions from transport.

The vast majority of our emissions fall under Scope 1 emissions (99%) and are derived from consumer use of fuel for rented vehicles. Our Scope 2 emissions (1%) are based on purchased electricity for our offices and rental locations.

In 2020, we saw a decrease of 28% in our Scope 1 emissions compared to our 2018 baseline year. This decrease was a direct result of the steep fall in leisure and corporate travel due to the global COVID-19 pandemic. As a result of COVID-19, our 2020 rental transactions were 47% lower compared to 2019.

**“Our 2030 Target:**  
Reduce absolute greenhouse gas emissions by **30%** while growing our business.”

– DAVID CALABRIA –  
SENIOR VICE PRESIDENT,  
CORPORATE FINANCE  
AND TREASURER



## Scope 1 and 2 Emissions<sup>3</sup>

CO <sub>2</sub> -e (metric tons)	2018	2019	2020 <sup>4</sup>	△
Scope 1 Emissions	6,827,371	6,953,155	4,920,349	-28%
Scope 2 Emissions	45,043	43,232	37,770	-8%
Total	6,872,414	6,996,387	4,958,119	-28%
Emissions intensity (total CO <sub>2</sub> -e / total revenue)	0.000753	0.000763	0.0009189	22%

## Scope 1 Mobile Sources Emissions Breakdown by Activities

2020	CO <sub>2</sub> -e (metric tons)	Percentage
Rentals	4,755,292	97%
Non-rentals	149,509	3%
Total	4,904,801	100%

## Scope 1 Emissions by Greenhouse Gas Type

Greenhouse gas	CO <sub>2</sub> -e (metric tons)
Carbon dioxide (CO <sub>2</sub> )	4,905,150
Methane (CH <sub>4</sub> )	1,975
Nitrous oxide (N <sub>2</sub> O)	13,224

<sup>2</sup> This would be the top line emissions reduction target (with 2018 base year)

<sup>3</sup> The Greenhouse Gas Protocol Corporate Standard classifies Scope 1 emissions as direct emissions from owned or controlled sources while Scope 2 emissions as indirect emissions from the generation of purchased energy.

<sup>4</sup> Please note that decreases in 2020 emissions reflect lower business activity during the COVID-19 pandemic



### Fleet Maintenance and Optimization

Most vehicles in our fleet are less than 18 months old, meaning that our vehicles have much newer technology than the average car on the road. The digitalization of our fleet also drives efficiencies in our preventive maintenance operations.

Our time-saving digital dashboard reports critical data in real-time to our fleet managers, such as tire pressure, vehicle condition and other measures that help ensure our fleet is running at maximum fuel efficiency.

We place a strong emphasis on the quality of our vehicle maintenance for customer safety and satisfaction. To accomplish this task, we employ fully certified Service and Maintenance Managers and have developed specialized training and programs for our technicians.

The preventive maintenance performed by our certified technicians meets or exceeds the intervals set by manufacturer guidelines. In addition, we have implemented policies and procedures to promptly address manufacturer recalls as part of our ongoing maintenance and repair efforts.

We expect to further increase fleet fuel efficiency through an optimization system aimed at improving the efficiency of our inner-city networks by minimizing mileage driven by our shuttlers and ensuring that we have the right mix of vehicles on hand to fulfil daily reservations. For example, In North America, Transformation Leaders (aligned with key strategic areas of the business) have completed a process improvement project, which resulted in a significant reduction in miles driven and associated vehicle emissions.

To find out more about our commitment to  
Mobility Innovation by visiting [our website here](#)



### Fleet Efficiency

At Avis Budget Group, we offer our customers the opportunity to choose from a wide variety of vehicles, including hybrids, electric or fuel-efficient vehicles at virtually all of our locations. Our fleet consists primarily of vehicles from the current and immediately preceding model year - this also ensures the highest possible standards of air emissions control.

**Our hybrid and electric fleet is one of the largest in our industry with 16,500 hybrid and 1,250 electric vehicles globally.**

In the United States, 37% of our fleet is rated "green" by the U.S. Environmental Protection Agency (EPA) under the EPA SmartWay certification.

Across Europe our fleet complies 100% with the current Euro 6 emission standards (Euro 6, Euro 6c and Euro 6d-TEMP).

In Sweden and Norway, 25% of our fleet is hybrid and electric, making it the largest fuel-efficient rental option in the region.

**In 2020, our weighted average rental fleet fuel economy was 26 miles per gallon in the U.S. and 195 gCO2/km for International**

### SmartWay Certified Vehicles

Car Class	(%)
Compact	4%
Intermediate	85%
Standard	83%
Full size	87%
Minivan	30%
Standard SUV	8%
Hybrid	100%



**HIGHLIGHT**

Avis in Sweden introduced **Avis Go Green** as a commitment to offer **eco-friendly vehicles** and increase charging stations availability at rental locations. The program offers **plug-in hybrid and electric vehicles** at virtually all locations in the country.







## Green Buildings

### Energy efficiency

Avis Budget Group actively incorporates best practices to increase energy efficiency at our locations (office spaces, rental locations, parking lots, maintenance facilities). We utilize leading ratings and certifications, including LEED®, ENERGY STAR® and ISO 14001, to guide our progress. Our ongoing efforts focus on exterior and interior light retrofits into LED lighting and well as instillation of LED signage for all Avis Budget Group branded signage.

### Clean-burning furnaces

Our maintenance facilities at major U.S. locations are also heated by clean-burning furnaces built to run on used motor oil. These facilities no longer ship used oil to recycling facilities, thus eliminating the need to consume external energy for heating.

### Consolidate Car Rental Facilities

Across the U.S., we also migrated major airport locations into Consolidated Car Rental Facilities (ConRAC) where tenant improvements were required to align with Airport and local code requirements to facilitate energy status ratings. Currently, we occupy 16 locations that hold LEED® certifications.

## Partnering with Customers to Provide Low Carbon Services

### Carbon offsets program

Through carbon-offset credits, we support corporate customers to make their car rental programs 100% carbon neutral. Carbon offset credits are created through projects that remove or reduce greenhouse gas emissions in various ways, such as renewable energy generation, energy efficiency, and reforestation programs.

We have an alliance with NextEra Energy Resources, the largest generator of wind and solar power in North America and a provider of carbon offset programs. Through NextEra, we offer corporate customers the option to invest in sustainable energy projects that offset or neutralize their emissions.

### Carbon footprint calculations

We are also able to calculate the greenhouse gas emissions for our corporate customers with the ability to drill down for specific locations, countries or globally, over any particular time period. Once our customers determine their annual greenhouse gas emissions reductions goals with respect to their car rental use, we offer the opportunity to further partner with them to achieve their goals.



## HIGHLIGHT

By leveraging our **Environmental Management System (EMS)**, all our rental locations and facilities in Spain and Scandinavia **renewed their ISO 14001** certification in 2020.





### HIGHLIGHT

Starting in 2019, selected locations across Spain have piloted a **Wash and Clean Quick Turn Around (QTA)** process to save water. Returned vehicles under a short-term rental are visually inspected and when considered not dirty enough to go through a cleaning circuit, are **dry-cleaned on the spot**. Car dry cleaning is a special process, where chemical products are used for a **waterless process**. Other benefits include efficiencies in the process and **immediate availability of cars** in the ready line. In 2021, this Wash and Clean QTA program will be **deployed across Europe and Asia Pacific**.

## WATER

Water is a precious resource for the world, and for Avis Budget Group. Limited or irregular water supply can have an impact on our operations. Therefore, we are focused on being responsible, efficient stewards of local water resources. To minimize our water footprint, we are targeting our greatest impacts, which includes consumption and wastewater associated with cleaning and maintaining our vehicles. We are also prioritizing reductions and efficiency measures at our operating locations with the highest level of water stress and scarcity risks.

Across our major facilities, we continue to maintain and install water saving car wash systems. These recycle and reuse up to 80% of their wastewater.








[→ VISIT OUR WEBSITE](#)

### Water Risk Assessment

To support our efforts to reduce water consumption across all U.S. operating locations with the highest level of water stress and scarcity risks, Avis Budget Group conducted a water risk assessment. Using the World Resources Institute (WRI) Aqueduct Tool, 28% of our operating locations are located in areas with high or extremely high baseline water stress. We will continue to use the results from this assessment to prioritize these sites that are not only under water stress, but are also our largest water consumers.

 Location Name	 Major Water Basin	 2020 Water Use (kGal)	 Baseline Water Stress
Avis/Budget-Phoenix Airport, AZ	North America, Colorado	22,844.03	Extremely High (>80%)
Avis/Budget-Denver Airport, CO	Mississippi - Missouri	9,243.02	Extremely High (>80%)
Budget-W. Palm Beach Airport, FL	Gulf of Mexico, North Atlantic Coast	6,692.40	High (40-80%)
Avis-Los Angeles Airport, CA	California	6,562.29	Extremely High (>80%)
Avis-W. Palm Beach Airport, FL	Gulf of Mexico, North Atlantic Coast	4,506.01	High (40-80%)
Budget-Los Angeles Airport, CA	California	3,853.72	Extremely High (>80%)

 Water footprint (USA)	2018	2019	2020	
Water consumption (kGal)	300,839	308,552	221,380	-26%
Water intensity (total kGal / total revenue)	0.000033	0.000034	0.000041	24%

## WASTE

At Avis Budget Group, we strive to reduce waste to landfill from our own operations. To execute toward this vision, we aim to generate less waste, recycle, repair and reuse whenever possible.

Through our procurement services, we engage with certified waste service providers to treat all materials in accordance with local regulations across each of our waste streams, which include non-hazardous waste and regulated waste. We continue to promote recycling programs across our brands.

### Our Global Performance

#### Regulated Waste streams<sup>6</sup>

Gallons of used motor oil recycled or repurposed	456,294
Tires recycled or repurposed	321,043
Car batteries recycled	21,516
Windshields repaired	70,675
Windshield recycled	78,707

#### Non-hazardous waste (USA)

	2018	2019	2020	△
Municipal Solid Waste (MSW) generated (metric tons)	19,599	20,752	20,221	3%

#### Other waste indicators

Metric tons of paper estimated to be saved annually through paperless transactions	100+
Metric tons of paper securely shredded and recycled	1.5

<sup>5</sup> Please note that decreases in 2020 water footprint reflect lower business activity during the COVID-19 pandemic

<sup>6</sup> We comply with all waste regulations across our global operations, which require recycling car batteries, used oil, windshield and tires



## Compliance and Environmental Protection

As a global Company, we are committed to meet or voluntarily exceed the requirements of federal, state, and local health, safety, and environmental protection laws across our global operations.

In the U.S. we utilize more than a dozen environmental consultants throughout the country to manage all of the regulatory environmental programs, including the required SPCC, SWPPP, wastewater from carwashes, underground storage tank, aboveground storage tank, hazardous waste, hazardous materials and permitting. Our environmental consultants work under the direction of the Corporate Design and Construction Department to ensure that all required compliance items are completed and submitted to either the Federal, State, and/or Local regulatory agencies. In the United States, a special spill hotline is staffed 24 hours a day / 7 days a week.

### Environmental compliance indicators

#### % of the total workforce trained on environmental issues

In the U.S., currently there are a total of 129 sites with Underground Storage Tanks which require Operator A/B Training under federal and state mandated regulatory programs. A total of 136 ABG A/B Operators have been trained and certified as required by Federal, State, and Local environmental Agencies; another fifteen locations in California are covered by third-party Designated Operators. In addition, 100% of all sites have trained operators under SPCC and Hazardous Waste when applicable.

#### % of all operational sites for which an environmental risk assessment has been conducted

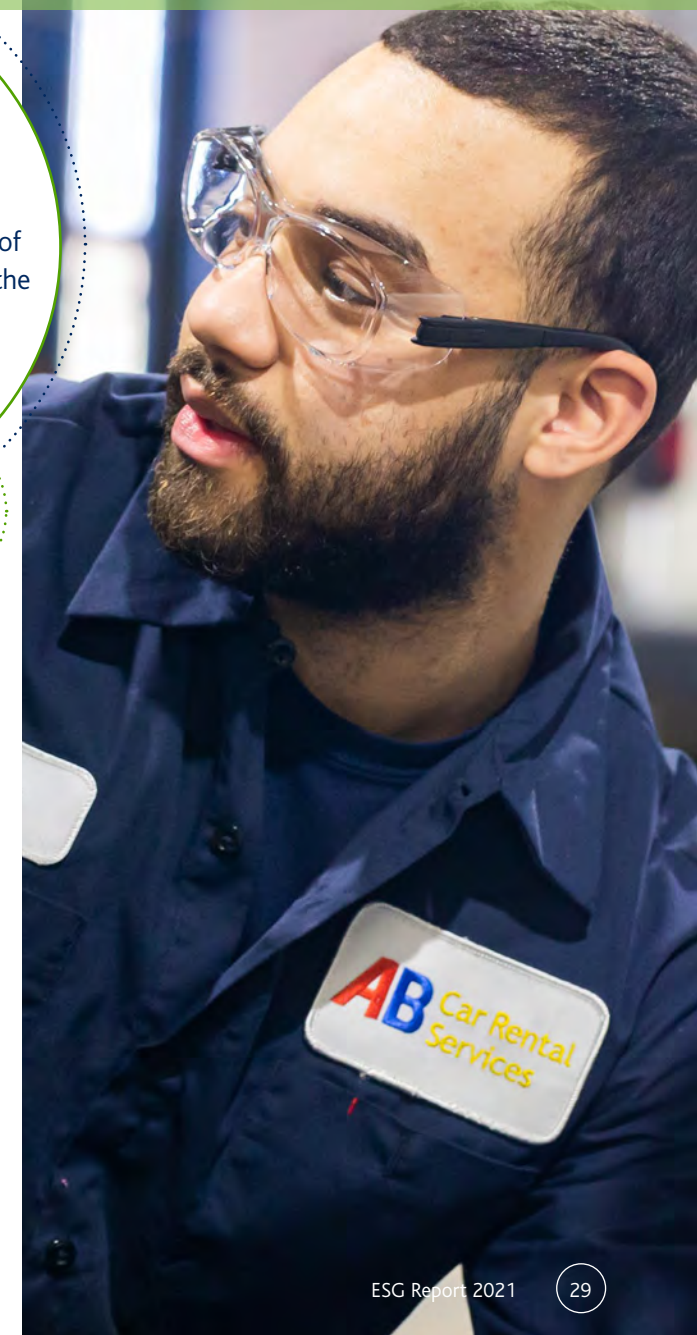
In the U.S., currently there are 208 ABG sites that require annual compliance testing of fuel storage tank systems. 100% of all systems are tested each year. The compliance testing ensures that all storage tank's emergency/monitoring systems are functioning properly.

#### Other indicator on the % of the deployment of environmental actions throughout all Company operations

In the U.S., as required by Federal, state, and local environmental regulations, every location that contains regulated underground storage tanks must be inspected by a state or local environmental agency at least every three years, if not more frequently, to ensure the underground storage tank systems are working properly to protect the environment and human health.

“Car rental is a **clean and safe form** of transportation. Empowering our customers to control their **own environment** as they travel is a key differentiator. We have a strong legacy of providing clean vehicles and improving the **customer experience.**”

– KEITH RANKIN –  
PRESIDENT, INTERNATIONAL





## 4: SOCIAL



Our commitment to advancing equity and inclusion within our workforce, consumer base, communities and supply chain have helped establish us as a leading global transportation solutions provider.

We promote a culture of shared value to strengthen our relationships and create inclusive growth. From leveraging innovation to develop new transportation solutions services that improve people’s lives, to cultivating a safe, supportive and inclusive environment where co-workers bring their whole selves to work; and from partnering with government agencies and non-profit organizations to strengthen community resilience and improve community prosperity, to maintaining an industry-leading supplier diversity program that promotes the growth and development of suppliers who are disadvantaged, minority-owned or women-owned business enterprises.

## DIVERSITY, EQUITY AND INCLUSION

At Avis Budget Group, we value each employee around the world, whose talent, skill and personality is a key component of our success. A diverse workforce means richer ideas and broader perspectives when it comes to considering the needs of our customers, stakeholders and employees. A key component of our ongoing commitment to diversity and inclusion is our motivation to improve diverse representation across all functions in the business. Reaching this goal will inspire current and future employees, and the next generation of workers to our organization.

Female Representation by Level		U.S. Minority Representation by Level	
Hourly	29%	Hourly	60%
Manager	34%	Manager	33%
Director	29%	Director	22%
VP+	24%	VP+	16%
Board of Directors	16%	Board of Directors	66%



### Global Gender Pay Equity

To ensure we are compensating both female and male employees fairly and equitably, we transitioned to a global Center of Excellence total rewards function six years ago with the aim to standardize and harmonize our reward programs across all countries. As a result, we have established global bonus programs that provide for equal incentive pay opportunity for all employees in same or similar positions across the globe. Additionally, we utilize global guidelines and standards to inform compensation decisions for all new hires and promotions. To monitor our performance for our management employees, we evaluate base salary placement relative to our internal salary ranges for men and women.

For our front-line hourly workforce (non-management employees), we maintain pay equity through our standardized compensation practices in which all employees begin at the same start rate, based on their location and position, and annual pay increases are applied consistently to all employees based on tenure.

While we understand and appreciate the value that diversity in all aspects of our operations brings us and are proud of our achievements with regard to diversity and inclusion, we realize that this is a work in progress and there is always more to be done.



“We remain committed to our pay equity objectives, and in 2020 we continued to **not have a gender pay gap** comparing women to men in management positions. In fact, the 2020 average base salary placement for women was **3 percentage points higher** than men in comparable positions”

– **IZZY MARTINS** –  
EXECUTIVE VICE PRESIDENT,  
AMERICAS





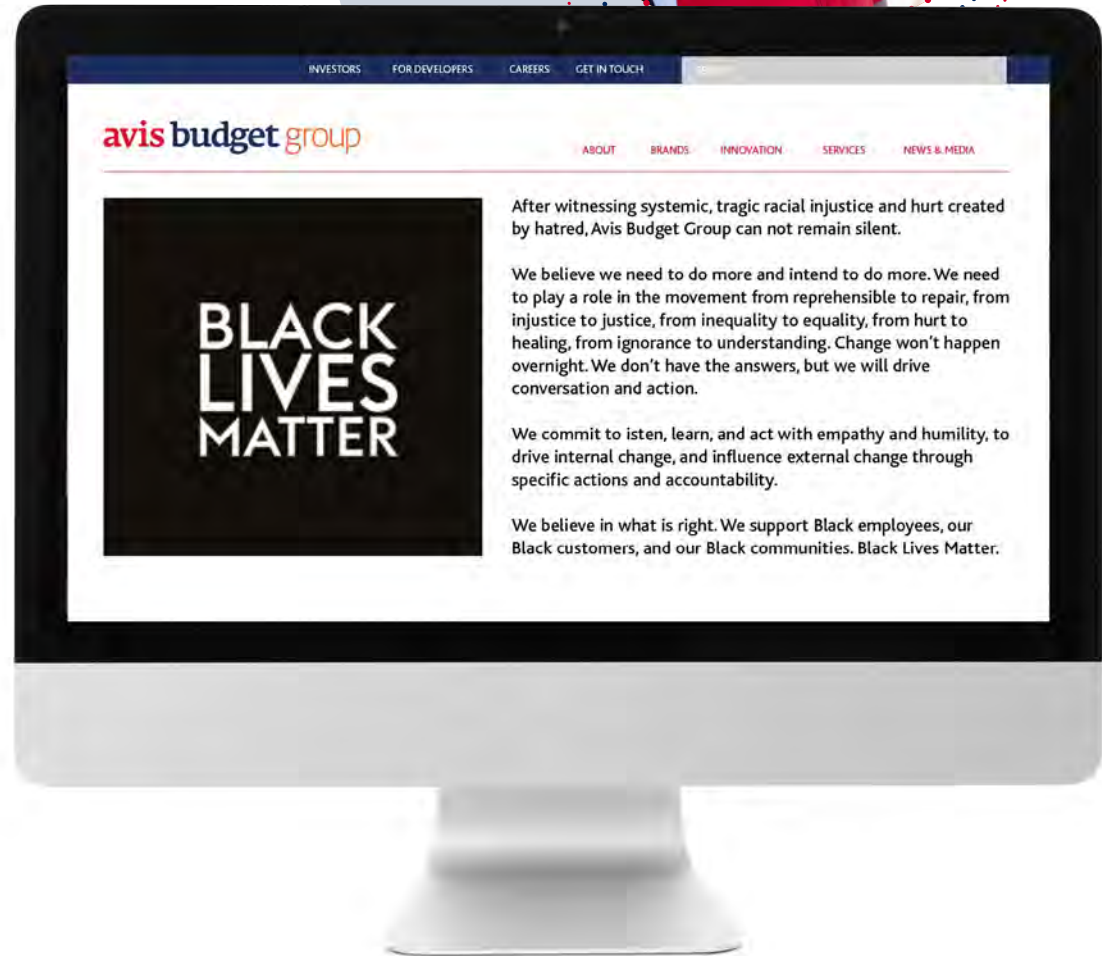
### Our support of the Black Lives Matter Movement

Avis Budget Group strongly condemns all forms of racism and racial intolerance and as a Company we have a strict zero tolerance policy towards any form of discrimination.

From our inception, ABG has been passionate about providing its employees with the very best experiences. It is our rich diversity of backgrounds, cultures and viewpoints that supports this passion, drives our success and ensures we live up to our full potential. As an equal-opportunity employer, we are proud to provide an inclusive workplace that embraces and celebrates demographic, cultural and lifestyle differences.

Although we have worked hard together to build an inclusive Company, there is still more we can, and will, do. We launched **Power of COLOR**, an ERG made up of employees from diverse backgrounds, that advocates equality, opportunities for advancement, and facilitates discussions around best practices and resources to promote more targeted racial understanding and diversity.

In addition to our internal focus, the Company has publicly supported the Black Lives Matter movement on our corporate website, career site and through social media by stating our condemnation of racial injustice and racial inequality and committing to join in the conversation and act.



## Employee Resource Groups (ERGs)

As an equal-opportunity employer, we are proud to provide an inclusive workplace where co-workers feel valued for their uniqueness, recognized for their diverse talents, and where they can bring their whole selves to work.

To ensure we continue to give all our employees a voice, we have created a number of ERGs. Our ERGs are made up of employees from diverse backgrounds that advocate equality, opportunities for advancement, and facilitate discussions around best practices and resources to promote more targeted cultural and racial understanding and diversity. It is about making the most of our differences.

In 2019, we launched our overarching ERG platform **#PowerofDIFFERENT** along with Power of Women and Power of Veterans initiatives. Building up our progress, in 2020, we launched the Power of COLOR, aimed at driving internal change and influencing external change. This ERG has two workstreams; programs and strategies to acquire and advance Black Leaders; listening, learning and acting on feedback from our Black employees to enhance our work environment and communities.

To continue fostering this culture, we have continued providing channels for our employees' voices to be heard. This year, we launched the **#PowerofDIFFERENT** channel on NGage – our employee social network app, which enables two-way dialogue with our employees.

Through its use, we have been able to drive awareness, enable learning and education, and foster inclusivity. The pandemic challenged traditional methods of engagement and communication throughout 2020 however, by leveraging the **#PowerofDIFFERENT** channel we have been able to connect with our employees regardless of the physical barriers that may exist.



**#PowerofDIFFERENT**

"In 2020 we began holding listening sessions with our **Black employees** within the U.S. The social injustice movement has exposed systemic and racial injustices that could not be ignored. These sessions, focused on **listening and learning** from our employees of color, have helped us develop a **deeper understanding** of the internal actions and support needed by our employees in order to **promote equity and inclusiveness.**"



– VERESH SITA –  
EXECUTIVE VICE PRESIDENT,  
CHIEF DIGITAL AND  
INNOVATION OFFICER





### HIGHLIGHTS

In 2020, we were named one of America's Top Corporations for Women's Business Enterprises by the Women's Business Enterprise National Council. We are the only car rental Company to earn a spot on the annual listing since 1999.

In 2020 we also spent \$1.7 billion with certified diverse suppliers. Avis Budget Group has been a member of the exclusive Billion Dollar Roundtable (BDR) since 2009, with continued distinction as the only member from the Travel Industry and the only car rental Company. BDR mandates that all corporate inductees spend at least \$1 Billion annually with certified minority and women-owned businesses on a first-tier basis.

### Unconscious Bias Learning and Awareness

The worldwide focus on improving equity within society has created a need to educate employees and leaders on bias and systems of inequity within the workplace.

In 2020, we designed an educational campaign on unconscious bias. Designed and developed internally, the first installment of our educational series focuses on bringing awareness to all employees globally about unconscious bias and sharing the experiences of our own employees with bias within their lives. By sharing the personal testimonies of our teams, we hope to stoke the fire within each of us to be more mindful of the bias we all inevitably have.

### Recruitment

Our talent strategy is aimed at attracting and retaining a diverse workforce. We run scores of recruitment programs that aim to give back to our local communities. We prioritize ensuring that our recruiters have the skills necessary to understand and recruit diverse candidates and have developed bespoke training modules as part of our learning journey.

Through our partnership approach, our roles are sent out to 600+ employment and diversity sites. In addition, we proactively reach out to, and build meaningful relationships with a library of over 15,000 local diversity organizations. We continually evaluate these new connections for effectiveness ensuring that our energy is spent with partners that can deliver results. We have also added diverse hiring slates and hiring targets to the short-term incentive plans of the HR and Talent Acquisition teams.

We coach, support, encourage and enable everyone to feel empowered to realize their potential and understand how their skills, experiences and training can be transferred to a variety of roles. We want people to view us as a Company they can flourish with and make an impact to our success.

### Supplier Diversity

At Avis Budget Group, we have a long-standing culture of supporting diverse suppliers. Our commitment is also seen through the recognition we receive from supplier diversity industry associations.



### Employee Benefits

Supporting our employees with the right benefits is one of the most important things we do. As a global Company, benefits will vary by country to reflect local practices and cultures, but our commitment to providing comprehensive and meaningful benefits and resources is consistent across the world. We continuously review and periodically update our programs to ensure they remain flexible, competitive, and aligned to what's important for our employees and their families. Recently, we also invested in a global benefits management model to drive better consistency and value through integrated and coordinated brokerage services. This allows for better alignment of plan design and management of risk, ultimately driving lower plan costs and better value to our employees.

We understand benefits are a key element to a total reward package, so ensuring we provide meaningful benefit programs and resources across the globe is an integral part of how we reward employees and part of our commitment to connecting them to more. We continue to evaluate and offer benefits that may be of value to our employees.

### Workplace flexibility and working time reduction

This year, a flexible work policy was implemented across the U.S. and Europe. This new policy is applicable for our employees who can work remotely and includes provisions for flexible working hours to accommodate employee needs.

### Dependent care

Benefit eligible employees in the U.S. are offered a dependent care flexible spending plan which allows for reimbursement of dependent care costs with tax-free dollars.

### Healthcare

We care about our employees' health and wellbeing and offer a competitive and comprehensive set of plans covering medical, dental, and vision, depending on the country. In some countries benefits provided through the Company are primary, while in others they may complement the government healthcare system.

Many of our benefit programs are complemented with various ways to help our employees keep fit and healthy, which may be through discounted access to gyms and health coaches, or integrated wellness programs as part of our medical plans.

We also provide coverage for life's unexpected moments, including accident, disability and life insurance, looking after our employees and their families in case of a serious illness or accident.

In the U.S., we provide benefits that are fully inclusive and cover the broad range of medically necessary treatments referred to in the World Professional Association for Transgender Health (WPATH) Standards of Care. This includes coverage of mental health, hormonal therapies, and surgical treatments for transgender employees.

Same or opposite-sex domestic partner is included as an eligible dependent for benefit coverage.

### Retirement

We believe that helping our employees plan for the future and save for their retirement is extremely important.

This is why we provide competitive retirement plans complementing the government retirement systems. We also understand that sometimes understanding and navigating retirement plan options isn't easy. Our retirement programs typically offer a variety of educational and support tools, from online resource centers to having access to speak with a licensed financial advisor.



→ VISIT OUR WEBSITE



### UNITED STATES

Our comprehensive medical plans include free preventative care, and all employees and their families are provided access at no cost to our Employee Assistance Program (EAP). Employees can elect to participate in many voluntary benefit programs at low group rates, including accident and critical illness insurance, ID theft protection, pet insurance, auto and home insurance.

We also encourage and assist employees to save for retirement with a dollar for dollar match up to six percent of their 401K contribution.

Recently in our EAP we added additional emotional health and wellness support, with BetterHelp the world's largest virtual counseling service. Employees and their families can get help with life's challenges where and when they need it through virtual sessions with licensed counselors.



### UNITED KINGDOM

To supplement our more traditional benefits we partnered with Perkbox in 2019 to provide our employees access to a wide range of deals, discounts and free products to suit their individual needs across a variety of different categories including shopping, food and drink, travel, entertainment and health and fitness. Employees can access the platform via an app on their smartphone, with new deals appearing daily.

Additionally, employees can work on improving their emotional health and mindfulness through free access to the Aura app, where they can get support to manage their emotions, improve sleep, and find peace.



### SPAIN

We have a flexible benefit offer that allows our employees to personalize their package and focus on the things that mean the most to them. We provide experiential benefits such as lunch vouchers, extra holidays, free car rental and rental discounts. We recognize employees who "go the extra mile" through Amazon voucher awards and team activities.



### FRANCE

We offer a competitive package, including meal vouchers, extra holidays, and a competitive health insurance program. Employees also have access to vehicle rental discounts and Work Council benefits such as discounted theater tickets, shopping and leisure discount vouchers, and various travel or entertainment discounts.



### Discounts

We want our employees to benefit from the industry that they work in, so we provide our employees and their friends and family access to an array of automotive discounts, including discounts on car rentals and vehicle purchases, both from our fleet and direct from auto dealers and manufacturers.

We also want to help our employees' pay checks go further and provide a variety of local perquisites and discounts available to suit the needs of the teams in each country.

**Being a global Company, benefits for each employee vary by country, but we are happy to share a few examples across some of our larger operations:**



## OUR RESPONSE TO THE GLOBAL COVID-19 PANDEMIC

The global COVID-19 pandemic has been an unprecedented and challenging time for everyone. Through it all, the health and wellbeing of our employees has been our focus.

In the U.S., where most of our employees rely on benefits offered through the Company, we provided:



**Free COVID-19 testing** and associated facility costs



**Free telemedicine**



**Additional paid time off** for employees who needed to quarantine due to COVID-19 symptoms or who tested positive, or those who had to provide care for a family member who was ill with COVID-19



**Free health and welfare benefits** for employees **on furlough**



**Options for employees** to take a withdrawal from their retirement plan if they were suffering a financial hardship because of COVID-19



### Our Safety Pledge

As the economy began to reopen, we emphasized safety, trust and empathy in all of our actions. We believe renting a vehicle will be an attractive alternative to other forms of transportation as travel activities resume.

In 2020, we launched the Avis Safety Pledge and the Budget Worry-Free Promise to provide our customers with reassurance on the cleanliness and disinfection of our rental facilities and vehicles. Our Safety Pledge protocols follow the CDC guidelines and were enhanced by our assemble of senior medical professionals from Columbia University and other leading institutions that guide us in public health, COVID-19 and other infectious diseases.

### Innovative partnerships

The safety of our employees and customers has always been a priority for Avis Budget Group. Never has this been more important than during the global pandemic. To reinforce this, we made two innovative partnerships with leading organizations in the health, safety and education space.

### Hip Hop Public Health

We partnered with **Hip Hop Public Health**, a coalition of medical experts, who advised the Company on its safety protocols and produced highly successfully training materials specifically focused on our response to COVID-19.

### Reckitt Benckiser - makers of Lysol and Dettol

We signed a partnership with Reckitt Benckiser, the makers of **Lysol**, the number one disinfectant brand in the United States based on Nielsen data, and **Dettol** in Europe.

### Employee Feedback

In a recent employee survey, over 70% of our people were satisfied with the actions the Company took in response to the COVID-19 pandemic to protect our employees and our customers.



### Our Employee Safety Commitments

Similarly, this year, we also put in place a host of measures to connect our employees to a safe place to work. To enhance this and further demonstrate our commitment to employee safety, we launched our Employee Safety Commitments, a five-point plan of tangible actions we are taking right now to ensure everyone has a safe place to work.

- 1 Partnered with [Hip Hop Public Health](#) to cultivate training for our employees to drive positive behavioral change in support of safety.
- 2 Listen and act on the recommendations of the Avis Budget Group Medical Advisory Council, who are providing medical, clinical and behavioral expertise to help develop effective tools and enhanced protocols to protect our employees.
- 3 Work with leaders in disinfection, such as our partnership with the team of scientists and germ experts from Reckitt Benckiser, the makers of Lysol in the U.S. and Dettol in Europe, to elevate our safety protocols for rental facilities and vehicles.
- 4 Provide personal protective equipment for our associates, including gloves, masks and safety glasses (where applicable), as well as installing counter shields across our network.
- 5 Develop a best-in-class safety certification program that is available to all employees across Avis Budget Group.



"We have a **goal of zero incidents** and work to create a culture where employees take ownership of safety for themselves, their co-workers, vendors, and all community stakeholders."

— BRIAN CHOI —  
EXECUTIVE VICE PRESIDENT,  
CHIEF FINANCIAL OFFICER



## HEALTH, SAFETY AND WELLBEING

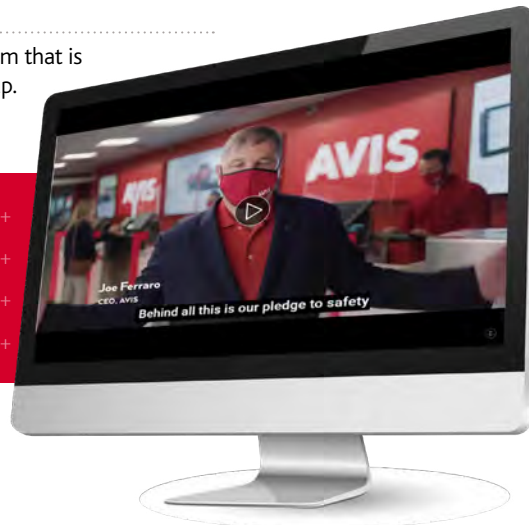
At Avis Budget Group, people are our most valuable asset. Our core belief is that Health and Safety is everyone's responsibility, not only for our employees but for customers, vendors, and all community stakeholders. As a global leader in transportation solutions, Avis Budget Group is committed to:

- Using risk management principles to reduce workplace injuries and unplanned events
- Developing Health, Safety and Environmental compliance objectives and communicating our performance in these areas to our employees, customers, vendors, communities and shareholders
- Complying with legal requirements in each country of operation
- Implementing reasonable precautions to eliminate hazards and reduce risks
- Continuously improving the Health and Safety management systems

### Our Performance<sup>7</sup>

Our Safety Performance	2018	2019	2020
Total recordable incident rate	2.67	2.73	2.23
Lost-time incident rate	0.93	0.93	1.07

<sup>7</sup> Performance is based on our United States operations which represents our largest employee population. These incident rates are calculated per 100 Full Time Equivalent (FTEs). In 2020, there was no work-related fatalities in North America.




CLICK TO VIEW VIDEO



## Wellbeing


At Avis Budget Group we take a holistic approach to wellbeing. We understand that to deliver our best performance, our employees need to be healthy and happy in all areas of their lives. Our Live Well program focuses on helping our people achieve all aspects of wellbeing through habits and activities that promote physical, financial and emotional wellbeing.

### PHYSICAL




In addition to our health plans, we offer a number of other ways for employees and their families to get and stay physically healthy. Preventive care is available through all of our health plans. GlobalFit's Get Active program is designed to help our employees get connected with fitness and nutrition resources, often at discounted prices. Wellness challenges are offered through the year for extra support in keeping those healthy habits. Whether it's focusing on getting more active during the "Maintain, Don't Gain" campaign to avoid the holiday weight gain, or trying out a new gym in the "New Year, New You" campaign, our wellness challenges are focused on helping employees achieve their wellness goals in a fun and supportive way.

### FINANCIAL



Money worries can be a huge cause of mental, and subsequently physical, anguish. Avis Budget Group offers employees access to financial consultation for matters such as reducing debt and retirement planning. We have also developed programs to educate and ensure that employees are well aware of the benefits and resources available to them and their families, such as pension options, saving plans and discounts.

### EMOTIONAL



Unfortunately, social stigmas about mental health still exist. We are seeking to break down the barriers around mental health by providing employees not only with services to mitigate mental distress, but also to provide them with the tools to recognize warning signs in themselves and others. Employees have access to professional counseling which can help with emotional issues such as stress and anxiety, depression and sadness, marital, relationship and family concerns, and substance abuse and addiction.



### HIGHLIGHT

To support our employees, we have held a series of global Town Hall webinars, as part of our **partnership with Hip Hop Public Health**. These were designed to answer employee questions related to the global COVID-19 pandemic and provide the latest information from leading medical professionals. We were lucky to be joined by **medical experts**, including **Dr. Olajide Williams**, Chair of the ABG Medical Advisory Council, and **Dr. Amelia Boehme**, Assistant Professor of Epidemiology in Neurology at Columbia University. The format for the Town Halls was a Question and Answer format with Dr. Williams and Dr. Boehme answering questions from ABG employees relating to COVID-19.





## EMPLOYEE ENGAGEMENT AND DEVELOPMENT

At Avis Budget Group we proactively engage with all of our employees, empowering and enabling them to bring their 'A' game every day. We do this through modern, bespoke and accessible learning and development programs and an innovative employee communication app. Every year, we run a comprehensive employee survey to gauge how people feel about working at Avis Budget Group and act on the results.

### Development

We believe that our employees possess a wealth of knowledge that could and should be shared with others. So, we launched Workday Learning – a bespoke digital learning platform to encourage and enable this across our global operations.

This platform has transformed the way we produce, manage and share learning. It puts the employee in control of their career and development through personalized learning journeys, and managers the ability to follow up on it. Additionally, it enables others to benefit from their colleagues' skills and experience. We have forged a modern, engaging learning culture that has enhanced employee to-employee collaboration; over 70% of our people are engaged with the new platform and over 1,000 lessons have been created and shared globally since its inception. This is in addition to our wealth of established learning courses and talent programs that support our employees to develop, grow and bring their 'A' game every day.

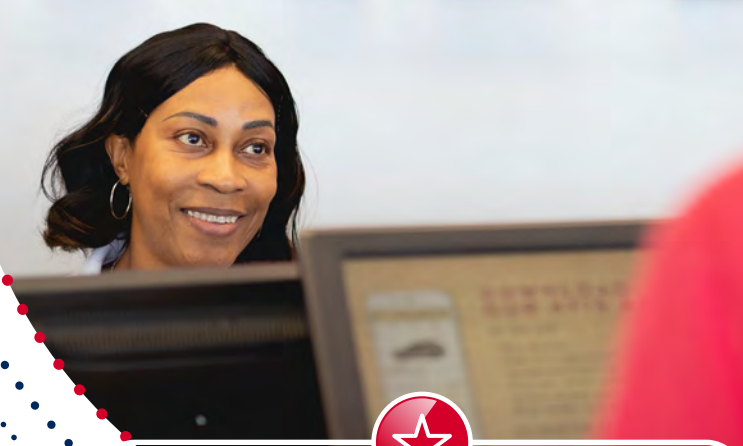
### Engagement

At Avis Budget Group, we believe that we are only as good as our people say we are. They are our biggest advocates; to our customers, prospective customers and future employees. How they feel about working at our Company is of the utmost importance to us, and their feedback and suggestions for how we can make Avis Budget Group THE place to work is the foundation on which all employee initiatives are built.

Every year, we run a global employee survey to give our employees an opportunity to say why they like working at Avis Budget Group and what we can do to make it even better. As we recover from the global pandemic, we conducted a global pulse check survey to check-in with our employees and get their feedback around key questions. These included how they rate the Company as a place to work, whether they feel we care about their wellbeing, how confident they are in the future success of the Company and if they are satisfied with the actions the Company took in response to the COVID-19 pandemic. The anonymous survey was available in multiple languages and promoted across our communication channels.

As an example of the action we take as a result of the surveys, our people have told us they wanted more communication and less complexity. They wanted the ability to communicate with their peers and leaders across the world and have access to the latest Company news as it happened. We listened. And we acted. We have invested in a bespoke employee app, NGage, a one-stop-shop comprising a newsroom, social media zone, chat function, global community and gateway to other regularly used sites. Company, local and industry news is now accessible 24/7 at the touch of a screen, so all employees have equal access to the same information.

NGage connects our people together. Every day, employees from around the world share their and their teams' achievements, celebrations and accolades – from team building activities, birthday parties and charity fundraising events, to shouting out to colleagues who have helped them out.



### HIGHLIGHTS

Over half of the organization took part in our recent employee survey, which is used to develop action plans and shape our employee focused initiatives. Over 70% of those surveyed were satisfied with the actions the Company took in response to the COVID-19 pandemic to protect our employees and our customers and 65% were confident in the future success of the organization. We will now use the results to drive action across the Company.

## GIVING BACK

We are a global Company with local reach in hundreds of communities around the world. Our employees live our core values of responsibility by volunteering to care for the needs of our communities. Whether we work individually or as a team, doing the right thing and supporting our communities helps employees see their work as more than a job and make them feel proud to be part of the Avis Budget Group family.

### Employee Led Volunteering activities (examples include):

- In the U.S., our Global Headquarters launched a national campaign to encourage employees to support the **Toys for Tots** charity
- Members of our International Headquarters in the U.K. supported a local community land-share that uses the **power of gardening** to positively change people's lives, by clearing land for new crops
- Locations across Avis Budget Australia have rallied around a common cause and supported **R U OK?** – suicide prevention organization. They have taken part in a number of activities including quiz nights, walkathons, bake sales, lolly guessing games, BBQs, and raffles
- Employees in our Australia Headquarters also volunteered their time at **Ronald McDonald House**, cooking dinner for families with sick children in the hospital so they could enjoy a meal together

### Social Partnerships and Collaborations

Avis Budget Group is a long lasting sponsor of **Make-A-Wish**®, **R U OK?** and **Susan G Komen**®. Throughout the years, we have held countless events to promote the charities and subsequently helped innumerable children and their families. We also currently have active promotional codes on our Avis rental website that offer our customers the opportunity to support our charity partners.



“I wish to have a blue electric guitar”

– DEONNA, 12 –  
BRAIN TUMOR

Wish granted with support from Avis

“When I grow up, I want to be a music producer and write my own songs”

Make-A-Wish

Avis Budget group is a national sponsor of Make-A-Wish®, providing both financial and in-kind support to help grant the wishes of children with critical illnesses in order to enrich the human experience with hope, strength and joy.

susan g. komen.

Avis Budget Group is a proud partner of Susan G. Komen® in its fight to end breast cancer. Susan G. Komen® is the only organization that addresses breast cancer on multiple fronts such as research, community health, global outreach and public policy initiatives in order to make the biggest impact against this disease.





## HIGHLIGHTS

### Providing vehicles to the Red Cross

In Italy, Avis Budget Group – which operates under the brands Avis, Budget, Maggiore, AmicoBlu and Morini Rent – provided the Italian Red Cross with 98 vehicles on loan for free use. The same collaboration was also activated in Portugal, where 23 vehicles were made available to the Lusitanian Red Cross. The vehicles were used to respond to the various needs of the area such as the transport of medical material and facilitate the mobility of staff and volunteers.

### 1,000 NHS workers redeem Zipcar discounts

Zipcar U.K. have been supporting U.K.'s National Health Service's teams get to and around at work for years. Like cities all over the world, London has been battling against the impact of COVID-19. That's why, we've been working with the NHS trusts across London to give all NHS staff up to 50% off journeys with Zipcar.

### Partnering with Toyota Motor Poland

Starting last April, we partnered with Toyota to help the polish government transport medical tents and equipment from Pozna to Łódź.

## Supporting Community Resilience

Over the past 70 years, we have developed strong competencies in how we are able to respond when significant business disruptions occur. Whether the disruption is man-made, extreme weather or a global health crisis event, Avis Budget Group's business continuity programs are central to how we respond in a quick and effective way in times of crisis.

Our program's focus is on preparing and protecting our people, property and infrastructure. We utilize an "all hands-on deck" approach within our incident management and command structure to ensure that we respond as rapidly and effectively as possible.

In times of uncertainty, our customers can count on us to get them wherever they need to go, both safely and conveniently. Between terrorist attacks, hurricanes, floods and wildfires, the past few years have been challenging times around the globe. To efficiently deploy our support, we have developed longstanding partnerships with leading national disaster response agencies, which strengthen our ability to provide support to affected customers, employees and communities.

Over the course of the global COVID-19 pandemic, Avis Budget Group vehicles have traveled free of charge the roads of our communities to deliver medical supplies and support to the most vulnerable areas.





## 5: GOVERNANCE

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) OVERSIGHT

## Corporate Governance

Our Board of Directors is committed to monitoring the effectiveness of policy and decision making with a view to enhancing long term value. Avis Budget Group Corporate Governance Guidelines, together with the charters of the Audit, Compensation, and Corporate Governance Committees, provide the framework for effective governance.

## Board Diversity

Our Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. As part of the assessment process for evaluating Board candidates, our Corporate Governance Committee considers the background, diversity, age, skills and experience of candidates in the context of the needs of the Board.

## ESG Oversight

The Board and our senior leadership team recognize the importance of oversight of ESG matters. Oversight responsibilities of the Corporate Governance Committee for ESG matters for the Company were memorialized in 2020 by an amendment to the Committee's charter to specify its responsibility to:

- review and discuss emerging best practices, trends and key issues related to ESG matters; and
- oversee the Company's strategy and governance of ESG matters and to advise the Board on such matters.



83% of our Board Members are diverse.

The Corporate Governance Committee also oversees the Company's risks and disclosure related to ESG and annual ESG reporting, which cover matters such as the environment, human rights, labor, health and safety, workforce diversity, supply chain, governance and similar matters affecting our stakeholders, and causes a briefing on ESG matters to be provided to the Board on at least an annual basis.

In addition, the Corporate Governance Committee conducts periodic reviews of the Company's programs, policies and procedures in the area of ESG. This includes, among other things, directing senior management to report to the Corporate Governance Committee, on a periodic basis, assessments and progress against both longer- and shorter-term key objectives, metrics and program enhancements set by senior management and reviewed by the Committee.





### Vehicle Safety

The safety of our customers and employees is at the forefront of our business. We ensure that all our vehicles meet federal and local safety standards across all locations. Our current fleet consists of vehicles from the world's leading motor vehicle manufacturers, ensuring we offer our customers the highest possible standards of vehicle safety, air emissions control and technology.

At Avis Budget Group, our policies and procedures regarding the handling of vehicles that are the subject of a manufacturer's recall notice is a prime example of how we put our customers' safety first. Periodically, automobile manufacturers provide notices of issues relating to their vehicles. These notices range from minor issues to recall notices relating to vehicles that may pose a risk to the safety of the driver, passengers and the general public.

"We redesigned our **annual incentive program** utilizing **scorecards** with **clear targets** and metrics. Key targets for myself and our General Counsel include **increasing the transparency and quality** of our ESG disclosures."

— **NED LINNEN** —  
EXECUTIVE VICE PRESIDENT,  
CHIEF HUMAN RESOURCES  
OFFICER



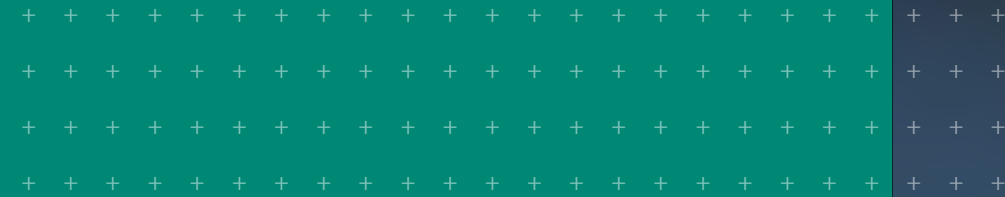
## HIGHLIGHTS

### 2020 Performance - Global Overall Crash Rating

60% of our U.S. fleet is rated 5 stars by the National Highway Traffic Safety Administration and 75% of our International fleet is rated 5 stars by EURO New Car Assessment Program

### 2020 Performance - Global fleet affected by OEM recalls

48,952 vehicles (15%) of our U.S. fleet  
839 vehicles (0.1%) of our International fleet



## Human Rights

Guided by our Human Rights Policy Statement, we strive to conduct our business in a manner consistent with the UN Guiding Principles on Business and Human Rights and the International Labor Organization’s Fundamental Conventions. Central to our policy statement is the belief that child labor, human trafficking or other illegal, abusive or forced labor practices have no place within our operations or our supply chains, anywhere in the world.

We are focused on creating a culture and a business environment based upon transparency, inclusion, mutual respect, responsibility and understanding.

We also respect our employees’ rights to voluntarily organize and choose a labor organization for purposes of collective bargaining. Where we have employees who are already organized, we have implemented mechanisms to resolve internal industrial disputes, such as grievances and other employee complaints, which ensure effective, open and respectful communication between employees, their representatives and management.

To support compliance with the human rights standards set forth in our Third Party Standards of Conduct, our partners and suppliers are encouraged to periodically conduct self-evaluations to ensure that they are, along with their subcontractors, complying with our human rights standards. We also expect our suppliers and partners to consider their impact on local communities, including indigenous peoples, and to engage openly and honestly with local governments and communities to improve the educational, cultural, economic and social wellbeing of the communities in which they live and serve.



“We are committed to following **all employment laws and regulations**. We provide **equal employment opportunities** without regard to personal characteristics such as race, color, religion, gender, sexual orientation, gender identity or expression, age, national origin, ancestry, citizenship status, marital status, veteran status, disability, medical condition, genetic information or any other legally protected category. We have **zero tolerance** for unlawful discrimination or harassment of any kind.

– DOUG CAMPBELL –  
HEAD OF FLEET SERVICES,  
AMERICAS



## Data Privacy and Information Security

At Avis Budget Group, we strive to ensure that we give our customers a stress-free experience every time they do business with us.

Our customer data privacy and information security programs are designed to comply with data privacy laws and align with best practices. Our policy is to, (i) only use or disclose personal information in compliance with applicable privacy legislation, (ii) minimize the use of personally identifiable information, (iii) regularly destroy data that is no longer needed, and (iv) restrict access to data within our organization based on the principle of least privilege (only providing access to those that need it to perform their work). All of our brands post privacy notices to inform and engage with customers on our practices

Across our organization, we have developed robust training programs, including mandatory data privacy and information security training programs for all employees that handle personal information. We also conduct privacy and data security awareness campaigns to reinforce the importance of data security and empower employees to detect threats and report concerns.

Executive oversight of our privacy and information security programs is provided by our General Counsel and Chief Compliance Officer and our Chief Digital and Innovation Officer. We conduct regular enterprise-wide risk assessments and provide quarterly reports to our Board of Directors and Audit Committee on the management of cyber security risks. We use firewalls and other technical measures, such as encryption to protect customers' sensitive personal information. Additionally, we employ administrative, technical and physical safeguards to protect their personal information from unauthorized access, modification or disclosure.

### Information Security Highlights:

- Our Information Security policies follow ISO 27001 standards and contain NIST control standards
- Our policies and procedures are assessed every year by the Payment Card Industry (PCI) Data Security Standard. 100% of our operational sites are PCI compliant
- All our information security professionals are certified with CISSP, CISM, CISA and other relevant security certification schemes





## ETHICS AND COMPLIANCE

We view our commitment to ethics and integrity as a competitive differentiator for Avis Budget Group that has supported our success for over 70 years.

### Driven by Values

We consider being a values-driven organization to be one of the core strengths of our Company. Central to our core values is the commitment to integrity, where we strive to display integrity at all times in the business decisions we make and the manner in which we conduct our professional relationships. We support that sense of doing what's right through a culture of open communications and a spirit of teamwork. By adhering to our core values at all times, our employees work every day to achieve our vision to be a leader in the vehicle services industry.

### Our Code of Conduct

The Board of Directors has adopted a code of conduct that applies to all officers and employees, including the Company's principal executive officer, principal financial officer and principal accounting officer. The Board of Directors has also adopted a code of business conduct and ethics for directors. Both Codes of Conduct are available in the "Investor Relations-Corporate Governance" section of the Company's website at [www.avisbudgetgroup.com](http://www.avisbudgetgroup.com).

The purpose of these codes of conduct is to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; to promote full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by the Company; and to promote compliance with all applicable rules and regulations that apply to the Company and its officers and directors. Both Codes of Conduct have been translated into 14 languages.

### Learning and Accountability

All of our employees are required to complete our Code of Conduct learning module and related policies, including those pertaining to ethics and integrity and anti-bribery. Our learning content emphasizes situational decision making. Managers also complete the "Receiving and Escalating Concerns" module. Additionally, we conduct awareness programs to support a "See Something, Say Something" culture across our organization.

On each page of our Code of Conduct, we provide a link to our Integrity Hotline where employees and stakeholders can report potential concerns or grievances, or ask questions about ethics or compliance. Our Integrity Hotline is available 24/7 and is a completely confidential channel for reporting serious concerns and complaints. Employees can reach the Integrity Hotline through dedicated phone lines or on the web. We maintain a non-retaliation policy that prohibits threats of retaliation or other discrimination directly related to any report made by an employee. All reported concerns are investigated, and the Audit Committee receives annual reports.

### A Strict Stance Against Corruption and Bribery

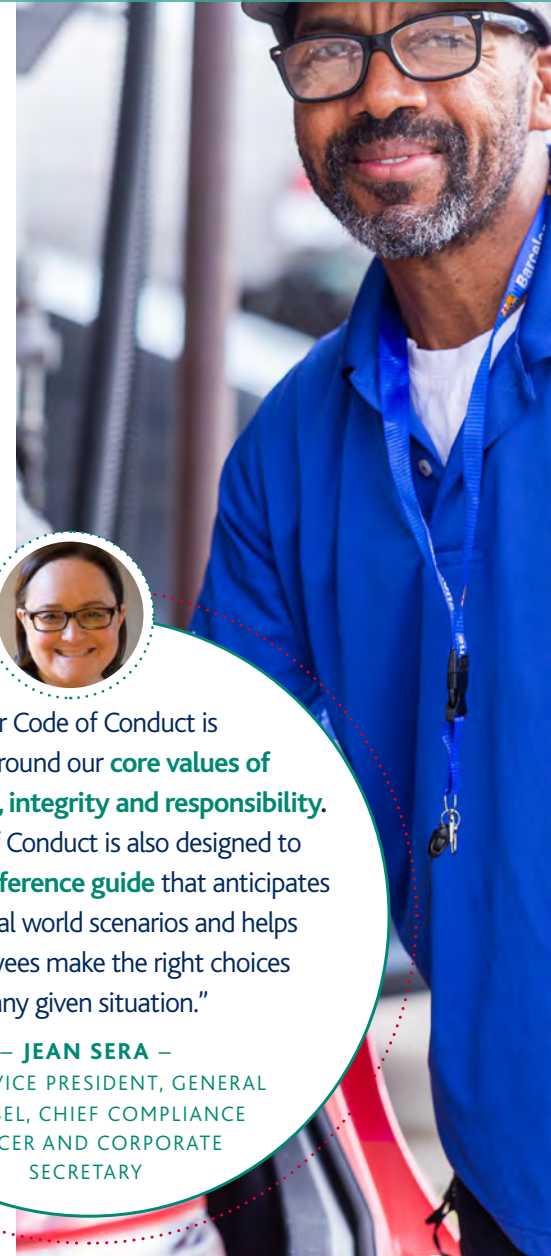
Avis Budget Group prohibits all forms of corruption and bribery. Our Code of Conduct and Anti-Corruption Policy are designed to support compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and all other applicable anti-corruption and anti-bribery laws.

Additionally, we provide guidance should employees receive a request for a facilitation payment. Our procedures and controls to manage bribery and corruption are managed and assessed by our Internal Audit department, which is structurally independent from other business lines and is overseen by our Board's Audit Committee.



"Our Code of Conduct is framed around our **core values of commitment, integrity and responsibility**. The Code of Conduct is also designed to be a **valued reference guide** that anticipates potential real world scenarios and helps our employees make the right choices in any given situation."

– JEAN SERA –  
SENIOR VICE PRESIDENT, GENERAL COUNSEL, CHIEF COMPLIANCE OFFICER AND CORPORATE SECRETARY



### Third Party Due Diligence Process

At Avis Budget Group we recognize that our business has an impact on people, the communities where we operate and the environment. Fostering sustainable relationships with our business partners, agents, consultants, suppliers and other third parties is important to our business success. It is part of our standard business practices to select reliable and trustworthy partners as set forth by our Third Party Standards of Conduct.

While we cannot control all the activities and ultimate compliance of our business partners as they are independent entities, at Avis Budget Group we aim to conduct appropriate diligence including research and analysis of a Company or organization in the selection process to reduce risk and comply with the applicable laws. Our approach is to conduct risk-based screening of our business partners to gauge their ability to comply with our Third Party Standards of Conduct as well as with applicable laws on corruption and bribery, competition and anti-trust, conflicts of interest, data privacy and fraud. This screening process is set forth by our Third Party Due Diligence SOP (standard operating procedure).



### In scope business partners under our Third Party Due Diligence Policy

#### INTERMEDIATES

- Sales Agents
- Independent Agency Operator/Dealer
- Media Agency
- 3rd Party Negotiator
- Consultant
- Broker
- Travel Agent
- Event Planner

#### SUPPLIER AND VENDOR

- Fleet: Maintenance, Repair, Fuel
- Fleet: Remarketing or Disposal
- Fleet: Procurement
- Non-Fleet: Procurement
- Marketing and Advertising
- Professional Services
- Distribution Channel
- Concession, Airport and Leasing Agreements
- Technology and Telecom providers
- Outsourcing
- Government Contracting

### Frequency of our Third Party Due Diligence Process under our Policy

- New prospect business partners will be required to go through the risk based-Due Diligence process before entering into an agreement
- Existing business partners will be required to go through the risk based-Due Diligence process:
  - (a) Before renewing an agreement;
  - (b) 60 months from completion of the previous Due Diligence;
  - (c) In the case of SIGNIFICANT contract changes, including but not limited to, change in ownership, change in geographic scope, additional products, services or brands, etc.;
  - (d) In the case of SIGNIFICANT changes to the business partner status;
  - (e) In the case of REGULATORY or CRIMINAL investigation of the business partner or its principals



## PUBLIC POLICY PARTICIPATION

**At Avis Budget Group, we are committed to providing transparency into our public policy participation and helping to promote important issues facing our industry and the communities that we serve.**

### Governance and Oversight

Our General Counsel and Chief Compliance Officer is responsible for the review and oversight of the Company's legislative affairs and public policy engagement strategy, while our Vice President of Government Affairs provides the Company with regular updates, at least annually, concerning the Company's strategy and support of key United States policy objectives. The briefing includes information related to stakeholder relationships, elected official outreach, lobbying, political giving and our commitment to governance compliance.

For the 2020 fiscal year, the Avis Budget Group Political Action Committee (PAC) has made contributions totaling \$8,500.

### Recipients:

- \$5,000 to American Car Rental Association political Action Committee (ACRA PAC). The contribution made to ACRA PAC is made to develop a larger pool of PAC funds from the industry to be used as needed to support industry initiatives
- \$2,500 to Collins for Senate (Senator Collins has advocated for federal funds to be allocated to the nation's airports under the CARES Act and other COVID-19 relief programs, which could be used to assist in offsetting concession rents and minimum annual guarantee requirements)
- \$1,000 to Wagner for Congress Representative (Representative Wagner has long been an advocate with house leadership on rental car issues)

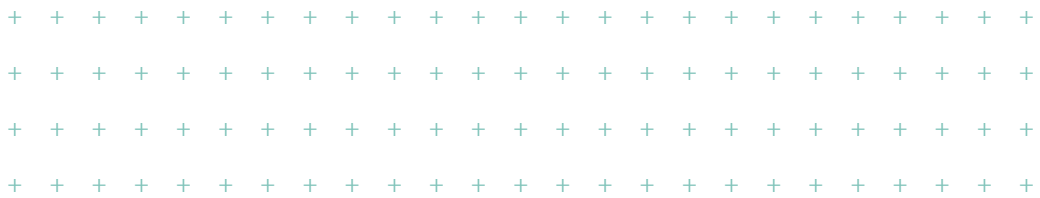
### Key Issues

In 2020, our public policy efforts focused on COVID-19 related matters.

In addition, we worked through trade groups on the following key issues to our industry:

- Our federal initiatives are focused on Autonomous Vehicle Legislation and collaborations with federal and state law enforcement authorities on security issues
- At the state level, our focus is on insurance reforms, tax and regulatory compliance
- At the local level, Zipcar's focus is on municipal regulations, including on-street parking provisions, tax policy and mobility pilot programs





### Industry Associations

At Avis Budget Group, we leverage industry resources on common issues to maximize efficiency while minimizing costs. Our government affairs team, maintains leadership roles in industry trade associations as follows:

- Vice President and member of the Board of Directors of the American Car Rental Association (ACRA) where we also chair the Nominating, Bylaws and Security Committees and also serve on the Legal and Legislative and PAC Committee
- Industry liaison through ACRA to the Department of Homeland Security (DHS) as an Executive Board Member of the Critical Infrastructure Coordinating Council - this is a public-private partnership designed to act as a conduit of information between the Government and private industry to assist in times of crisis and address emerging issues
- Serve on the Board of the Truck Rental and Leasing Association and its Government Affairs and Security Committees
- Serve as the Chair of an international SAE committee focused on shared and digital mobility

Internationally, we are also members of The British Vehicle Leasing Association as well as corresponding associations in European and Pacific countries. Additionally, we are part of regional associations such as Leaseurope in the Euro zone.

Trade association dues were as follow: American Car Rental Association \$30,000, Truck Rental and Leasing Association \$33,100 and U.S. Chamber of Commerce \$25,000.

### Taking the Lead to Make Communities Safer

We are proud of our legacy of taking proactive steps to truly make a difference in the safety of communities. In collaboration with consumer advocacy groups, we have played a pivotal role as the face of our industry to make mandatory safety recalls national law in the United States.



→ VISIT OUR WEBSITE



# CUSTOMER SATISFACTION

**Our commitment to delivering a consistently high level of customer service across all of our brands is a critical element of our success and business strategy.**

## Customer Led, Service Driven™

Our Customer Led, Service Driven™ program focuses on continually improving the overall customer experience based on our research of customer service practices, improved customer insights, executing our customer relationship management strategy, delivering customer-centric employee training and leveraging our mobile applications technology and the enriched experience it provides our customers.

We understand our customers' time is valuable and we offer rental options that provide greater control and self-service capabilities. While our mobile applications provide a fast customer experience, our customers know a Company representative is always available to meet their needs. Our survey platform includes specific questions to learn more about individual preferences and find innovative ways to better serve and anticipate our customers' needs

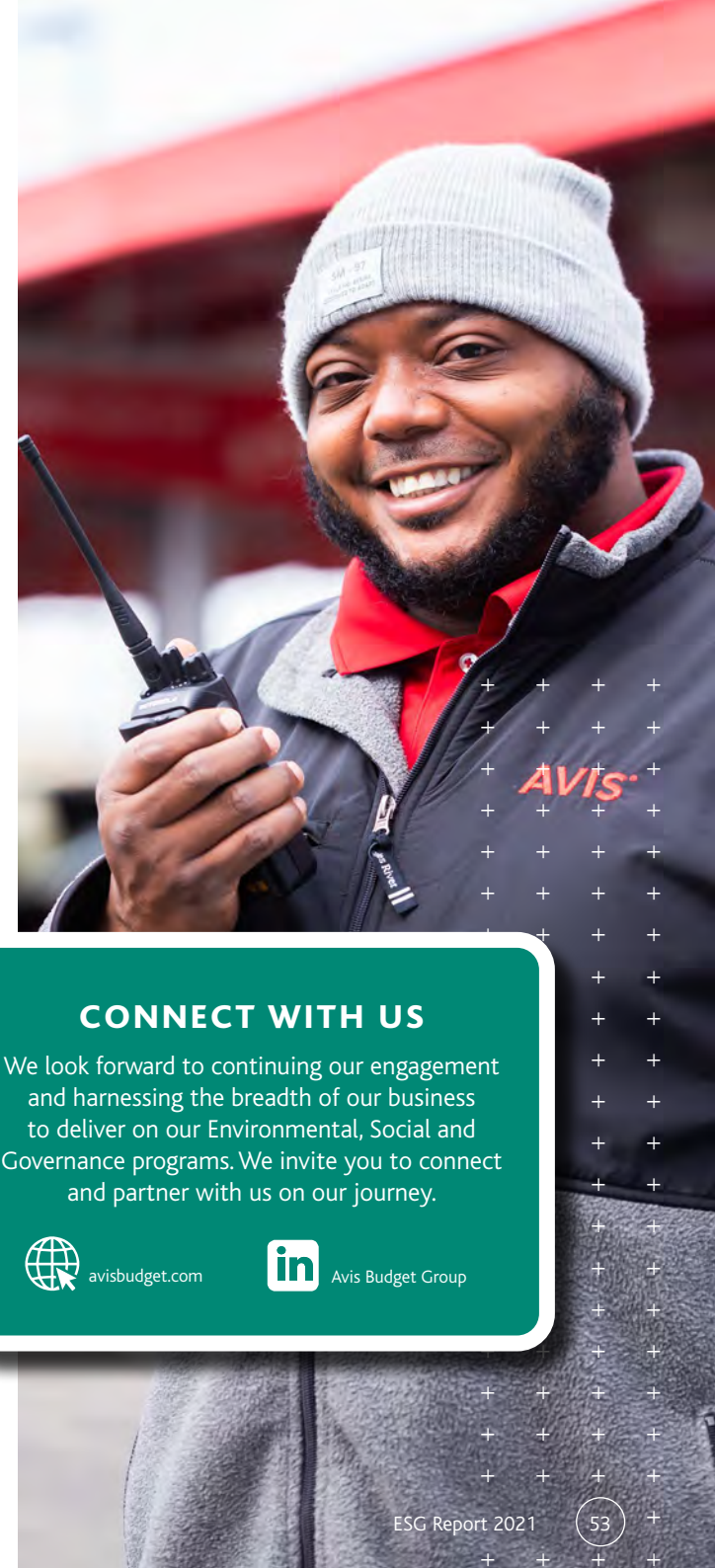
We also continuously track customer-satisfaction levels by sending location-specific surveys to recent customers and utilize detailed reports and tracking to assess and identify ways that we can improve our customer service delivery and the overall customer experience. Our location-specific surveys ask customers to evaluate their overall satisfaction with their rental experience and the likelihood that they will recommend our brands, as well as key elements of the rental experience. Results are analyzed in aggregate and by location to help further enhance our service levels to our customers.

In addition to our location specific surveys, we are also capturing and responding to customer feedback from not only our traditional channels (phone, email) but we are proactively monitoring all Social Media channels and responding to both positive and negative mentions and providing this level of insight down to the location level as well.

## Reinventing Rental

We have embarked on a journey to reinvent the rental experience we offer customers by making it more transparent, convenient, personalized and seamless. One example of this is our Avis mobile app, which is driving substantial improvements in our net promoter scores by app users, signaling that we are exceeding our customers' expectations and contributing to stronger loyalty.

The Avis mobile application allows our customers a unique and innovative way to control many elements of their rental experience via their mobile devices without the need to visit the rental counter. The Avis mobile application also allows customers to track Avis shuttle buses to rental locations, find their vehicle, and locate nearby gas stations and parking facilities. The application also includes the Split My Bill feature, which gives customers the ability to remotely split their bill between two credit cards, allowing commercial customers to upgrade their car, add an ancillary product or extend their rental on their personal credit card following a business rental.



## CONNECT WITH US

We look forward to continuing our engagement and harnessing the breadth of our business to deliver on our Environmental, Social and Governance programs. We invite you to connect and partner with us on our journey.



avisbudget.com



Avis Budget Group



# 6: APPENDICES

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# GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

To facilitate stakeholders in understanding and benchmarking our corporate responsibility performance, we used the Global Reporting Initiative (GRI) disclosure framework, which includes an internationally recognized set of indicators for economic, environmental and social topics of business performance. (For additional information on the GRI Standards, please visit [www.globalreporting.org](http://www.globalreporting.org).)

In the GRI Context Index, we provide references to locate content in this report as well as provide direct answers to indicators and direct readers to external sources on our corporate website.

## I. GENERAL DISCLOSURES

INDICATOR	DESCRIPTION	REFERENCES
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Avis Budget Group, Inc. ("Avis Budget Group" or "ABG")
102-2	Activities, brands, products, and services	Who We Are, page 6 <a href="#">2020 Annual Report and 10-K Filing</a> , page 4 ("Overview") and 5-10 ("Our Brands and Operations") <a href="#">Our Brands</a>
102-3	Location of headquarters	Our corporate headquarters are located 6 Sylvan Way in Parsippany, New Jersey.
102-4	Location of operations	Who We Are, page 6 <a href="#">2020 Annual Report and 10-K Filing</a> , page 4 ("Overview")
102-5	Ownership and legal form	Avis Budget Group, Inc (Ticker: "CAR") is a publicly-traded corporation on the New York Stock Exchange.
102-6	Markets served	Who We Are, page 6 <a href="#">2020 Annual Report and 10-K Filing</a> , page 4 ("Overview")
102-7	Scale of the organization	Who We Are, page 6 <a href="#">2020 Annual Report and 10-K Filing</a> , page 4 ("Overview")
102-8	Information on employees and other workers	Diversity, Equity and Inclusion, page 31 <a href="#">2020 Annual Report and 10-K Filing</a> , page 17 ("Employees")
102-9	Supply chain	<a href="#">2020 Annual Report and 10-K Filing</a> , pages 11-13 ("Our Fleet") In addition to purchasing vehicles within our fleet, our supply chain includes fleet maintenance purchases (including tires, oil, windshields and parts for repairs), information technology (including computers and servers) and other operational purchases (including cleaning supplies and uniforms).
102-10	Significant changes to the organization and its supply chain	In 2020, there were no significant changes to our business or supply chain. However, the COVID-19 pandemic had, and is expected to continue to have, a significant impact on our operations, due to the ability or desire of people to travel due to travel restrictions.
102-11	Precautionary Principle or approach	ESG Highlights, pages 8-9 Roadmap to 2030, pages 10-16 Our 2030 Targets, page 11 Advancing the United Nations Sustainable Development Goals, page 13 Vision for the Future of Mobility, pages 14-15



INDICATOR	DESCRIPTION	REFERENCES
ORGANIZATIONAL PROFILE		
102-12	External initiatives	Advancing the United Nations Sustainable Development Goals, page 13 Human Rights, page 47 <a href="#">Human Rights Policy Statement</a>
102-13	Membership of associations	Industry Associations, page 52

## STRATEGY

INDICATOR	DESCRIPTION	REFERENCES
ORGANIZATIONAL PROFILE		
102-14	Statement from the most senior decision-maker	Message from Our CEO, page 4
102-15	Key impacts, risks, and opportunities	Advancing the United Nations Sustainable Development Goals, page 13 <a href="#">Moving Mobility Forward</a> <a href="#">2020 Annual Report and 10-K Filing</a> , page 4-5 ("Our Strategy") and 20-33 ("Risk Factors") <a href="#">Investor Presentation</a> (May 2021)

## ETHICS AND INTEGRITY

INDICATOR	DESCRIPTION	REFERENCES
ORGANIZATIONAL PROFILE		
102-16	Values, principles, standards, and norms of behavior	Human Rights, page 47 Ethics and Compliance, page 49 <a href="#">Code of Conduct</a> <a href="#">Human Rights Policy Statement</a>
102-17	Mechanisms for advice and concerns about ethics	Learning and Accountability, page 49 <a href="#">Code of Conduct</a> pages 9-13 ("Raising Concerns and Asking Questions") <a href="#">Integrity Hotline</a>





## GOVERNANCE

INDICATOR	DESCRIPTION	REFERENCES
ORGANIZATIONAL PROFILE		
102-18	Governance structure of the organization	Environmental, Social, and Governance (ESG) Oversight, page 45 <a href="#">Governance Documents and Committee Charters</a> <a href="#">2021 Proxy Statement</a> , page 11 ("Board Leadership Structure")
102-22	Composition of the highest governance body and its committees	<a href="#">Board of Directors</a> <a href="#">Committee Composition</a> <a href="#">2021 Proxy Statement</a> , pages 13-14 ("Committees of the Board of Directors")
102-23	Chair of the highest governance body	<a href="#">Board of Directors</a> <a href="#">2020 Proxy Statement</a> , page 11 ("Board Leadership Structure")
102-24	Nominating and selecting the highest governance body	<a href="#">Corporate Governance Guidelines</a> , pages 1-3 ("Composition of Board of Directors") <a href="#">Director Independence Criteria</a> <a href="#">Corporate Governance Committee Charter</a> , pages 1-2 ("Authority and Responsibilities of Corporate Governance Committee") <a href="#">2021 Proxy Statement</a> , pages 14-15 ("Director Nomination Procedures")
102-25	Conflicts of interest	<a href="#">Code of Business Conduct and Ethics for Directors</a>
102-28	Evaluating the highest governance body's performance	<a href="#">Corporate Governance Guidelines</a> , page 5 ("Assessing Board Performance")
102-36	Process for determining remuneration	<a href="#">2021 Proxy Statement</a> , pages 22-43 ("Executive Compensation")

## STAKEHOLDER ENGAGEMENT

INDICATOR	DESCRIPTION	REFERENCES
ORGANIZATIONAL PROFILE		
102-40	List of stakeholder groups	Materiality and Stakeholder Engagement, page 16
102-41	Collective bargaining agreements	<a href="#">2020 Annual Report and 10-K Filing</a> , page 17 ("Employees")  As of December 31, 2020, approximately 21% of our employees were covered by collective bargaining or similar agreements with various labor unions.
102-42	Identifying and selecting stakeholders	Materiality and Stakeholder Engagement, page 16
102-43	Approach to stakeholder engagement	Materiality and Stakeholder Engagement, page 16  Customer Satisfaction, page 53
102-44	Key topics and concerns raised	Materiality and Stakeholder Engagement, page 16

## REPORTING PRACTICE

INDICATOR	DESCRIPTION	REFERENCES
ORGANIZATIONAL PROFILE		
102-45	Entities included in the consolidated financial statements	<a href="#">2020 Annual Report and 10-K Filing</a> , pages F-1-F-52 ("Consolidated Financial Statements")
102-46	Defining report content and topic boundaries	Materiality and Stakeholder Engagement, page 16
102-47	List of material topics	Materiality and Stakeholder Engagement, page 16
102-48	Restatements of information	None during the reporting period
102-49	Changes in reporting	None during the reporting period
102-50	Reporting period	Our reporting period is calendar year 2020
102-51	Date of most recent report	October 23, 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="#">Get in Touch</a>
102-56	External assurance	Not applicable during the reporting period

## II. SPECIFIC DISCLOSURES: MANAGEMENT APPROACH DISCLOSURES AND INDICATORS

MATERIAL TOPICS	GRI INDICATORS	REFERENCES
ECONOMIC		
Economic Performance	103	Management approach disclosure
		<a href="#">2020 Annual Report and 10-K Filing</a> <a href="#">Investor Presentation</a> (May 2021) Giving Back, page 42
	201-1	Direct economic value generated and distributed
		<a href="#">2020 Annual Report and 10-K Filing</a> , pages 4 ("Overview"), 14 ("Our Business Considerations") and 38-39 ("Results of Operations")
	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change
		Sustainable Transportation Solutions, pages 18-21 Greenhouse Gas Emissions, pages 22-25 Supporting Community Resilience, page 43 TCFD Report, pages 66-71 <a href="#">CDP Climate Change Response</a> , question C2



## II. SPECIFIC DISCLOSURES: MANAGEMENT APPROACH DISCLOSURES AND INDICATORS

MATERIAL TOPICS	GRI INDICATORS	REFERENCES	
<b>ECONOMIC</b>			
Indirect Economic Impacts	201-3	Coverage of the organization's defined benefit plan obligations	<a href="#">2020 Annual Report and 10-K Filing</a> , pages F-45 to F-48 ("Employee Benefit Plans")
	103	Management approach disclosure	Vision for the Future of Mobility, pages 14-15 Giving Back, page 42 <a href="#">Developing New Models</a>
	203-1	Infrastructure investments and services supported	Vision for the Future of Mobility, pages 14-15 Giving Back, page 42 <a href="#">Developing New Models</a>
Anti-Corruption	103	Management approach disclosure	Ethics and Compliance, page 49 <a href="#">Code of Conduct</a> , pages 27-30 ("We Do Not Tolerate Bribery or Corruption")
	205-1	Operations assessed for risks related to corruption	Ethics and Compliance, page 49 <a href="#">Code of Conduct</a> , pages 27-30 ("We Do Not Tolerate Bribery or Corruption")
	205-2	Communication and training on anti-corruption policies and procedures	Ethics and Compliance, page 49 <a href="#">Code of Conduct</a> , pages 27-30 ("We Do Not Tolerate Bribery or Corruption")

MATERIAL TOPICS	GRI INDICATORS	REFERENCES	
<b>ENVIRONMENTAL</b>			
Energy	103	Management approach disclosure	Sustainable Transportation Solutions, pages 18-21 Fleet Maintenance and Optimization, page 23 Fleet Efficiency, page 24 Green Buildings, page 25 <a href="#">Environmental Policy Statement</a>
	302-1	Energy consumption within the organization	Greenhouse Gas Emissions, page 22 Fleet Maintenance and Optimization, page 23 Fleet Efficiency, page 24 <a href="#">CDP Climate Change Response</a> , questions C8.1-8.2

MATERIAL TOPICS	GRI INDICATORS	REFERENCES	
ENVIRONMENTAL			
Water and Effluents	103	Management approach disclosure	Our 2030 Targets, page 11 Water, pages 26-27 <a href="#">CDP Water Security Response</a> <a href="#">Environmental Policy Statement</a>
	303-1	Interactions with water as a shared resource	Our 2030 Targets, page 11 Water, pages 26-27 <a href="#">CDP Water Security Response</a> <a href="#">Environmental Policy Statement</a>
	303-3	Water withdrawal	Water Footprint, page 27 <a href="#">CDP Water Security Response</a> , question W1.2b
Emissions	103	Management approach disclosure	Our 2030 Targets, page 11 Sustainable Transportation Solutions, pages 18-21 Greenhouse Gas Emissions, page 22 Fleet Maintenance and Optimization, page 23 Fleet Efficiency, page 24 Green Buildings, page 25 TCFD Report, page 66-71 <a href="#">Environmental Policy Statement</a>
	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Greenhouse Gas Emissions, page 22 TCFD Report, page 66-71 CDP Climate Change Response, questions C6.1 and C7.1-C7.3
	305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Greenhouse Gas Emissions, page 22 TCFD Report, page 66-71 CDP Climate Change Response, questions C6.3 and C7.5-C7.6
	305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	TCFD Report, page 66-71 <a href="#">CDP Climate Change Response</a> , question C6.5
	305-4	Greenhouse gas (GHG) emissions intensity	<a href="#">CDP Climate Change Response</a> , question C6.10
Waste	103	Management approach disclosure	Our 2030 Targets, page 11 Waste, page 28 <a href="#">Environmental Policy Statement</a>
	306-2	Management of significant waste-related impacts	Our 2030 Targets, page 11 Waste, page 28 <a href="#">Environmental Policy Statement</a>

MATERIAL TOPICS	GRI INDICATORS	REFERENCES	
ENVIRONMENTAL			
Waste (Continued)	306-3	Waste generated	Waste, page 28
	307-4	Waste diverted from disposal	Waste, page 28
Environmental Compliance	103	Management approach disclosure	Compliance and Environmental Protection, page 29 <a href="#">Environmental Policy Statement</a>
	307-1	Non-compliance with environmental laws and regulations	No material instances during the reporting period
Supplier Environmental Assessment	103	Management approach disclosure	Fleet Efficiency, page 23 Third Party Due Diligence Process, page 50 <a href="#">Third Party Standards of Conduct</a>
	308-1	New suppliers that were screened using environmental criteria	Third Party Due Diligence Process, page 50 <a href="#">Third Party Standards of Conduct</a>

MATERIAL TOPICS	GRI INDICATORS	REFERENCES	
SOCIAL			
Employment	103	Management approach disclosure	Recruitment, page 35 Employee Benefits, page 36 Employee Engagement and Development, page 41 <a href="#">Jobs</a>
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits, page 36 <a href="#">Jobs</a>
		Parental leave	Dependent Care, page 36
Labor/Management Relations	103	Management approach disclosure	Human Rights, page 47 <a href="#">Human Rights Policy Statement</a> <a href="#">2020 Annual Report and 10-K Filing</a> , page 17 ("Employees")
	402-1	Minimum notice periods regarding operational changes	Notice periods and other terms vary across agreements.
Occupational Health and Safety	103	Management approach disclosure	Our Response to the COVID-19 Global Pandemic, page 38 Our Safety Pledge, page 38 Our Employee Safety Commitments, page 39 Health, Safety & Wellbeing, pages 39-40 <a href="#">Code of Conduct</a> , pages 36-37 ("We Maintain a Safe and Healthy Workplace")

MATERIAL TOPICS	GRI INDICATORS	REFERENCES	
SOCIAL			
	403-1	Occupational health and safety management system	Health, Safety and Wellbeing, page 39-40
	403-2	Worker participation, consultation, and communication on occupational health and safety	Health, Safety and Wellbeing, page 39-40 Workers are represented in joint management-worker health and safety committees in all applicable jurisdictions.
	403-9	Work-related injuries	Health, Safety and Wellbeing, page 39
Training and Education	103	Management approach disclosure	Employee Engagement and Development, page 41
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Engagement and Development, page 41
Diversity and Equal Opportunity	103	Management approach disclosure	Our 2030 Targets, page 11 Diversity, Equity and Inclusion, pages 31-35 <a href="#">Supplier Diversity Policy</a>
	405-1	Diversity of governance bodies and employees	Diversity, Equity and Inclusion, pages 31-35 Board Diversity, page 45 <a href="#">2021 Proxy Statement</a> , page 15 ("Diversity")
	405-2	Ratio of basic salary and remuneration of women to men	Global Gender Pay Equity, page 32 <a href="#">U.K. Gender Pay Gap Report (2019)</a>
Human Rights Assessment	103	Management approach disclosure	Human Rights, page 47 <a href="#">Human Rights Policy Statement</a> <a href="#">Slavery and Human Trafficking Statement</a> <a href="#">Third Party Standards of Conduct</a>
	412-2	Operations that have been subject to human rights reviews or impact assessments	Human Rights, page 47
	412-2	Employee training on human rights policies or procedures	Our 2030 Targets, page 11 Human Rights, page 47
Local Communities	103	Management approach disclosure	Giving Back, pages 42-43 <a href="#">Code of Conduct</a> , page 69 ("We Are Good Neighbors")
	413-1	Operations with local community engagement, impact assessments, and development programs	Giving Back, pages 42-43



MATERIAL TOPICS	GRI INDICATORS	REFERENCES
Supplier Social Assessment	103	Management approach disclosure Supplier Diversity, page 35 Third Party Due Diligence Process, page 50 <a href="#">Third Party Standards of Conduct</a>
	414-1	New suppliers that were screened using labor practices criteria Third Party Due Diligence Process, page 50 <a href="#">Third Party Standards of Conduct</a>
Public Policy	103	Management approach disclosure Public Policy Participation, pages 51-52 <a href="#">Code of Conduct</a> , pages 70 ("Political Activities") and 71 ("Lobbying")
	415-1	Political contributions Public Policy Participation, pages 51-52
Customer Health and Safety	103	Management approach disclosure Our 2030 Targets, page 11 Our Response to the COVID-19 Global Pandemic, page 38 Our Safety Pledge, page 38 Vehicle Safety, page 46 Taking the Lead to Make Communities Safer, page 52 <a href="#">Code of Conduct</a> , page 38 ("Product/Service Safety and Quality")
	416-1	Assessment of the health and safety impacts of product and service categories Vehicle Safety, page 46 Taking the Lead to Make Communities Safer, page 52
Customer Privacy	103	Management approach disclosure Data Privacy and Information Security, page 48 <a href="#">Privacy Notice</a> <a href="#">Code of Conduct</a> , pages 21-22 ("We Respect the Privacy of Others")
	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data None during the reporting period
Socioeconomic Compliance	103	Management approach disclosure Ethics and Compliance, page 49 <a href="#">Code of Conduct</a>
	419-1	Non-compliance with laws and regulations in the social and economic area No material instances during the reporting period



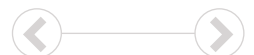
## SASB DISCLOSURES

The Sustainable Accounting Standards Board (SASB) is an independent, private sector organization with a mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. (For additional information on SASB, please visit [www.sasb.org](http://www.sasb.org).)

To support investors and stakeholders, Avis Budget Group has provided the following disclosures based on the SASB Standards for Car Rental and Leasing Companies.

### ACCOUNTING METRICS

TOPIC	METRIC	CODE	REFERENCES
Customer Safety	Percentage of rental fleet vehicles rated by NCAP programs with an overall 5-star safety rating, by region	TR-CR-250a.1	<p>In 2020, 60% of our U.S. fleet and 75% of our international fleet was rated 5-stars in Overall Crash Rating by the National Highway Traffic Safety Administration and EURO New Car Assessment Program respectively.</p> <p>Vehicle Safety, page 46</p>
	Number of vehicles recalled	TR-CR-250a.2	<p>In 2020, 48,952 vehicles (15%) of our U.S. fleet and 839 vehicles (0.1%) of our international fleet were affected by OEM recalls.</p> <p>Periodically, automobile manufacturers provide notices of issues relating to their vehicles. These notices range from minor issues to recall notices relating to vehicles that may pose a risk to the safety of the driver, passengers and the general public.</p> <p>In the United States, when we receive a safety recall notice from a vehicle manufacturer under the Motor Vehicle Safety Act, we identify the affected vehicles in our fleet and place them on a "hard hold" in our reservations system, which prevents them from being rented. We then do not rent these a vehicle until we are able to implement a remedy that has been approved by the manufacturer and the National Highway Transportation and Safety Administration (NHTSA).</p> <p>In addition, when our vehicles become subject to a safety recall, we use a third-party vendor that automatically calls customers within 24 hours when we have confirmed that the vehicle they have out on rent has been recalled. This process is used to contact all customers who have provided a telephone number and/or email address during the reservation or check-in process through which the customer can be reached. Each customer who has rented a vehicle that is subsequently subject to a recall will receive a message providing specific instructions as to how, where and when the vehicle may be returned for an exchange. If no valid telephone number has been provided, a written notice will be sent to the renter's residential address.</p> <p>Vehicle Safety, page 46</p>
Fleet Fuel Economy and Utilization	Rental day-weighted average rental fleet fuel economy, by region	TR-CR-410a.1	<p>In 2020, the weighted average rental fleet fuel economy was 26 miles per gallon in the U.S. and 195 grams of CO<sub>2</sub>/km for international.</p> <p>Greenhouse Gas Emissions, page 22</p>
	Fleet utilization rate	TR-CR-410a.2	<p>In 2020, the average fleet utilization, which is based on the number of rental days (or portion thereof) that vehicles are rented compared to the total amount of time that vehicles are available for rent, ranged from approximately 35% in second quarter to approximately 62% in first and fourth quarters.</p> <p>Our average car rental fleet size and utilization are typically highest during the third quarter of each year. Our calculation of utilization may not be comparable to other companies' calculation of similarly titled metrics.</p> <p><a href="#">2020 Annual Report and 10-K Filing</a>, page 13 ("Fleet Utilization")</p>





## ACTIVITY METRICS

METRIC	CODE	REFERENCES
Average vehicle age	TR-CR-000.A	Our fleet consists primarily of vehicles from the current and immediately preceding model year. <a href="#">2020 Annual Report and 10-K Filing</a> , page 13 ("Our Fleet")
Total available rental days	TR-CR-000.B	In 2020, there were 365 total available rental days as we maintain continuous operations on weekends and holidays.
Average rental fleet size	TR-CR-000.C	In 2020, as a result of COVID-19, our global rental fleet, on average, totaled approximately 533,000 vehicles, 19% lower compared to 2019 and we completed approximately 22 million vehicle rental transactions worldwide, 47% lower compared to 2019. <a href="#">2020 Annual Report and 10-K Filing</a> , page 4 ("Overview")



# TCFD REPORT

Avis Budget Group's Task Force on Climate-related Financial Disclosure (TCFD) Report is aligned with the four sections of the TCFD framework: (1) governance, (2) strategy, (3) risk management and (4) metrics and targets.

For additional information on TCFD, please visit <https://www.fsb-tcfd.org>.

**GOVERNANCE:** Disclose the organization's governance around climate-related risks and opportunities.

DESCRIPTION	RESPONSE	REFERENCES
Board's oversight of climate-related risks and opportunities	<p>Avis Budget Group's Corporate Governance Committee of our Board of Directors has direct oversight of climate-related risks and opportunities. The Corporate Governance Committee's responsibilities includes providing input into the strategy and direction of our environmental initiatives and overarching corporate social responsibility platform; reviewing our policies and execution program; and monitoring our competitive performance on climate-related issues.</p> <p>Avis Budget Group's Audit Committee of our Board of Directors also oversees climate-related issues, including major financial risk exposures such as energy costs and business trends associated with the transition to a low carbon economy.</p>	<p>Environmental, Social and Governance (ESG) Oversight, pages 45</p> <p><a href="#">Charter of the Corporate Governance Committee</a>, page 3</p> <p><a href="#">CDP Climate Change Response</a>, question C1.1</p>
Management's role in assessing and managing climate-related risks and opportunities	<p>Climate-related risks and opportunities are monitored by Avis Budget Group's Corporate Social Responsibility Team, which is led by our Vice President of Global Organizational Development and is supported by our Sustainability Manager. The Vice President of Global Organizational Development reports to our Chief Human Resources Officer, who reports to our Chief Executive Officer. Additionally, our Corporate Social Responsibility Team works closely with Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary.</p> <p>The monitoring of climate-related issues is also overseen by our entire executive leadership team, which receives strategic updates from our Corporate Social Responsibility Team. Our Chief Human Resources Officer also serves as the executive sponsor of Avis Budget Group's overarching corporate social responsibility platform.</p> <p>The monitoring of climate-related issues is supported by oversight from our entire executive leadership team, which receives strategic updates from our Corporate Social Responsibility Team. Our Chief Human Resources Officer also serves as the executive sponsor of Avis Budget Group's overarching corporate social responsibility platform. Additionally, our General Counsel is responsible for guiding our Company's ESG strategy, including progress against our goals and targets.</p>	<p><a href="#">CDP Climate Change Response</a>, question C1.2</p>



**STRATEGY:** Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.

DESCRIPTION	RESPONSE	REFERENCES
Climate-related risks and opportunities identified over short-term, medium-term and long-term horizon	<p>Avis Budget Group defines time horizons for climate risks and opportunities as: short-term (1-2 years), medium-term (3-6 years) and long-term (7-10 years).</p> <p><b>Climate-related Risks</b></p>	<a href="#">CDP Climate Change Response</a> , questions C2.1, C2.3 and C3.4
<b>Categories/Types</b>	<b>Risk Descriptions</b>	<b>Time Horizons</b>
Transition/Market	<b>Changing Consumer Behavior:</b> The competitive environment for our industry is generally characterized by intense price and service competition among global, local and regional competitors. This can result in decreased revenues due to reduced demand for products and services.	3-6 years
Transition/Market	<b>Uncertainty in Market Signals:</b> Weakness in travel demand or general economic conditions, and/or a significant increase in fuel costs, can adversely impact our business, most notably our revenues and operating costs.	3-6 years
Physical/Acute	<b>Increased severity and frequency of extreme weather events such as cyclones and floods:</b> Extreme weather events could impact travel demand in specific markets, lead to supply chain interruptions and may cause damage to physical assets required for business continuity.	3-6 years

DESCRIPTION	RESPONSE	REFERENCES
Categories/Types	Climate-related Opportunities	
Resource Efficiency	<p><b>Opportunity Descriptions</b></p> <p><b>Use of more efficient modes of transport:</b> At Avis Budget Group, our customers have the opportunity to choose from a wide variety of vehicles, including hybrids, electric or fuel-efficient vehicles at virtually all of our locations. We believe mobility in the long-term will be offered as a service and that fleet management capabilities will become extremely valuable for any sustainable mobility company. We have been actively anticipating and driving changes in mobility. Connected and autonomous vehicles are likely to become a common feature worldwide, along with an increase use of electric and shared vehicles, which is why we are building on our core experience, data intelligence and technology to develop entirely new lines of business and extend our offering and capabilities for our customers, businesses, and cities.</p>	<p><b>Time Horizons</b></p> <p>7-10 years</p>
Resilience	<p><b>Participation in renewable energy programs and adoption of energy-efficiency measures:</b> Renewable energy regulations at the national, state and local levels may create new investment opportunities for our corporate facilities and owned and/or operated car and truck rental locations. Additionally, we have the opportunity to capitalize on rebates from utilities and governments in support of our energy efficiency measures.</p>	<p>3-6 years</p>
Products and Services	<p><b>Shift in consumer preferences:</b> Transportation is identified as the fastest-growing source of global greenhouse gas emissions, and vehicles are believed to account for at least 15% of those emissions. As our corporate and leisure customers are becoming increasingly aware and concerned about pollution and congestion caused by vehicles, we aim to lead the way in sustainable transportation solutions and join global efforts to reduce energy consumption and greenhouse gas emissions from transport. We offer our customers the opportunity to choose from a wide variety of vehicles, including hybrids, electric or fuel-efficient vehicles at virtually all of our locations. Our fleet consists primarily of vehicles from the current and immediately preceding model year. This also ensures the highest possible standards of air emissions control.</p>	<p>3-6 years</p>



DESCRIPTION	RESPONSE	REFERENCES
Impact on businesses, strategy and financial planning	<p>Climate-related risks and opportunities have resulted in our Company developing a low-carbon transition plan.</p> <p><b>Business and Strategy Impact:</b> As a result of climate-related risks and opportunities, we have implemented strategic decisions for our products and services, supply chain and operations. This includes investing in (1) business continuity and (2) partnerships to support ride-sharing and smart cities and programs and (3) initiatives to reduce Scope 3 emissions for our corporate customers.</p> <p><b>Financial Planning Impact:</b> The most significant risks identified as having a potential impact to our revenue is related to shifts in preferences from our retail customers (particularly millennials and Gen Z consumers) and corporate customers. However, the management of these risks also present potential opportunities to increase revenue through competitive differentiation. The most significant risk identified as having a potential impact to our operating costs is changes in the cost of fuel, energy and commodities in addition to broader uncertainty in market signals associated with climate change.</p> <p>Access to capital is a potential climate-related opportunity for our Company. Our climate change mitigation and adaptation performance is frequently used by specialized research firms to generate ratings and rankings that help to inform investor decision making. We are focused on continuing to advance our sustainability programs and increase the quality of our disclosures on our climate change strategy and performance.</p>	<p><a href="#">CDP Climate Change Response</a>, questions C3.1d, C3.1e and C3.1f</p>
Impact of different scenarios, including a 2 degree C scenario	<p>We have set a greenhouse gas target to achieve a 30% absolute reduction in Scope 1 and 2 emissions from 2018-2030. This 2030 target is based on a decarbonization pathway in the excess of the 2.5% annual decreases expected for alignment with the 2 degree level of ambition for science-based targets using the Science-Based Targets initiative's absolute-based approach. Central to the execution on our provisional target will be expected transition to predominantly electric, hybrid and/or more fuel efficient vehicles in our fleet over the next decade.</p>	<p><a href="#">CDP Climate Change Response</a>, question C3.1b</p>

**RISK MANAGEMENT:** Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

DESCRIPTION	RESPONSE	REFERENCES
Process for identifying and assessing climate-related risks	<p>At the Company level, our Corporate Responsibility team maintains daily strategic oversight to identify and manage risks and opportunities related to climate change that may impact our Company's reputation, profitability and access to capital.</p> <p>At the location-based asset level, we identify and assess climate-related risks and opportunities by actively tracking environmental performance and energy-related expenditures. At the vehicle-based level, we identify and assess climate-related risks and opportunities within our business and innovation processes to support our strategies to increase fleet fuel efficiency and transition to 100% connected cars.</p> <p>Additionally, our business continuity processes enable us to identify and assess physical climate risks (include those associated with hurricanes and extreme weather events) at both the location-based and vehicle-based levels.</p>	<p><a href="#">CDP Climate Change Response</a>, question C2.2</p>
Processes for managing climate-related risks	<p>To manage climate-related risks, Avis Budget Group engages with subject matter experts, consultants and industry experts to develop our strategy.</p> <p>This includes reducing our emissions, energy usage and water consumption and continuing to invest in sustainable transportation solutions.</p>	<p>Greenhouse Gas Emissions, pages 22</p> <p>Water, pages 26-27</p> <p>Sustainable Transportation Solutions, pages 18-21</p> <p>Supporting Community Resilience, page 43</p> <p><a href="#">CDP Climate Change Response</a>, questions C2.1 and C2.2</p>
Integration into overall risk management	<p>Avis Budget Group's process for identifying, assessing and responding to climate-related risks and opportunities is integrated into our multi-disciplinary Company-wide risk management process at both the Company and asset levels.</p> <p>For example, acute and chronic physical risks are identified and assessed across our Company with leadership driven by Business Continuity and Enterprise Risk Management teams.</p> <p>Additionally, the Audit Committee of our Board of Directors oversees all of our Company's risks, including those related to energy costs and business trends associated with the transition to a low carbon economy.</p>	<p>Supporting Community Resilience, page 43</p> <p><a href="#">CDP Climate Change Response</a>, question C2.2</p>



**METRICS AND TARGETS:** Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

DESCRIPTION	RESPONSE	REFERENCES												
Metrics used by the organization to assess climate-related risks and opportunities	<p>In addition to monitoring and reporting on our Company's scope 1, 2 and 3 greenhouse gas emissions, Avis Budget Group also monitors our energy usage.</p> <p>To support our efforts to reduce water consumption at our operating locations with the highest level of water stress and scarcity risks, we monitor our water consumption and locations in areas with high baseline water stress.</p> <p>We also monitor and report on the number of hybrid and electric vehicles in our fleet.</p>	<p>Greenhouse Gas Emissions, page 22</p> <p>Water, pages 26-27</p> <p>Sustainable Transportation Solutions, pages 18-21</p> <p><a href="#">CDP Climate Change Response</a>, questions C5-C9</p>												
Scope 1, 2 and 3 greenhouse gas emissions	<p>Avis Budget Group's 2020 greenhouse gas emissions performance:</p> <table border="1"> <thead> <tr> <th>Greenhouse Gas Emissions*</th> <th>Metric tons of CO2e</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>4,920,349</td> </tr> <tr> <td>Scope 2 (location-based)</td> <td>37,770</td> </tr> <tr> <td>Scope 2 (market-based)</td> <td>37,770</td> </tr> <tr> <td>Scope 3 (business travel)</td> <td>448</td> </tr> <tr> <td>Scope 3 (waste generated in operations)</td> <td>14,039</td> </tr> </tbody> </table> <p>* Please note that decreases in 2020 emissions reflect lower business activity during the COVID-19 pandemic</p>	Greenhouse Gas Emissions*	Metric tons of CO2e	Scope 1	4,920,349	Scope 2 (location-based)	37,770	Scope 2 (market-based)	37,770	Scope 3 (business travel)	448	Scope 3 (waste generated in operations)	14,039	<p>Greenhouse Gas Emissions, page 22</p> <p><a href="#">CDP Climate Change Response</a>, questions C5-C9</p>
Greenhouse Gas Emissions*	Metric tons of CO2e													
Scope 1	4,920,349													
Scope 2 (location-based)	37,770													
Scope 2 (market-based)	37,770													
Scope 3 (business travel)	448													
Scope 3 (waste generated in operations)	14,039													
Targets used and performance against targets	<p>To assess and manage relevant climate-related risks and opportunities, we aim to reduce absolute greenhouse gas emissions by 30% from 2018-2030, while growing our business.</p> <p>As of year-end 2020, Avis Budget Group achieved 28% reduction in our absolute greenhouse gas emissions.</p>	<p>Our 2030 Targets, page 11</p> <p><a href="#">CDP Climate Change Response</a>, questions C4.1 and C4.2</p>												

