



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

2022 REPORT



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A handwritten signature in blue ink, which appears to read "Joe Ferraro". The signature is fluid and stylized, with a large loop at the end.

Joseph Ferraro

President and CEO
Avis Budget Group

A MESSAGE FROM OUR CEO

Avis Budget Group is a strong, innovative, and transformed company. Our 21,000 employees are driven by a shared ambition to be at their best every day, so that together, we can become the best vehicle rental company in the world.

In 2020, the COVID-19 pandemic challenged society, upending our world in unimaginable ways. Avis Budget Group was no exception, as we faced the toughest year in our 75-year history. While we continued to encounter obstacles well into 2021, our company remained vigilant in pursuit of being the best. We took immediate action to reevaluate our strategies, adapt to the evolving landscape, and develop new ideas to drive our work forward. By the year's end, Avis Budget Group emerged stronger than ever, delivering a record year in 2021.

As we take pride in our achievements, we are mindful of the work ahead. Being the best means leading by example. It means being stewards within our industry and our communities. This is where our sustainability efforts play a key role.

In 2020, we established a formal Environment, Social, and Governance (ESG) strategy, which chartered a 10-year plan that will see us achieve a 30% reduction in greenhouse gas emissions by 2030. To reach this goal, we are focused on providing access to sustainable transportation options across the globe by collaborating with innovative partners and introducing electric vehicles at scale.

We have made strides by steadily adding electric, hybrid, and connected vehicles to our fleet. The focused management of our inventory and cautious, deliberate purchasing decisions are two key factors contributing to our pandemic survival and record results in 2021.

Our success during this unprecedented period can be attributed to our 21,000 employees and their ongoing dedication to Avis Budget Group. I have worked at the company for more than 40 years and I've never been prouder to be a part of this team.

The recognition of our employees' efforts extends beyond our internal appreciation. During a time when it was difficult to be a frontline worker, our customers appreciated their exceptional efforts. Our customer satisfaction scores steadily increased throughout the year, and Brand Keys awarded us top customer service honors in 2021 for the 23rd year in a row.

These past two years have been challenging, informative, and inspiring. We've learned so much about ourselves and our capabilities, and I can confidently say that we, as a company, are forever changed.

The actions we have taken to date have demonstrated that not only are we a stronger organization – we have laid the foundations that will drive us to be the **best vehicle rental company** in the world.



OUR ESG PURPOSE

To provide **safe, sustainable, and equitable** transportation solutions.



OUR ESG 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

Avis Budget Group
(NASDAQ: CAR) is 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. We also have one of the largest fleets of connected vehicles in our industry, and are committed to moving the future of transportation forward.



75+ YEARS

fleet management
experience



28 MILLION

rental
transactions



10,400

locations
(4,000 licensee-operated) across
27 corporate countries and
150 licensee countries



21,000

employees
(5,000 part-time)



590,000+

vehicles



235,000+

connected
vehicles





ABOUT THIS REPORT

A key part of our ESG strategy is measuring and reporting on our momentum annually to evaluate our actions, document our achievements, and examine areas that need improvement. Unless otherwise noted, data in this 2022 ESG report covers the time period from January 1, 2021 to December 31, 2021.

As part of our reporting process, we align our efforts to the most industry-recognized standards and frameworks:



Global Reporting Initiative (GRI) Standards

The GRI Standards are a reporting framework for disclosures on the environmental, social, and governance issues we defined as being most important to our business and stakeholders.



CDP (formerly the Carbon Disclosure Project)

The CDP represents investors with more than \$1 trillion in assets. We publicly report on our strategy and performance for the CDP Climate Change and Water Security programs.



United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs are 17 goals the international community has committed to address by the year 2030. We have identified six goals where we believe we can make the greatest impact: Vehicle & Road Safety, Women & Girls, Water, Inclusive Economic Growth, Sustainable Transportation, and Climate Change.



Sustainable Accounting Standards Board (SASB) Standards

SASB is an independent, non-profit organization that develops and disseminates sustainability accounting standards that help public corporations disclose material information to investors. Avis Budget Group populates SASB disclosures for the car rental industry.



Task Force for Climate-Related Financial Disclosures (TCFD) Recommendations

The TCFD report establishes recommendations for companies to disclose clear, comparable, and consistent information about the risks and opportunities presented by climate change. We include a module that aligns with those recommendations in our ESG report.



United Nations Global Compact (UNGC)

The UNGC is the world's largest corporate sustainability initiative. In this year's report, we have included, for the first time, the UNGC Communication on Progress (COP) report.





1

ROADMAP TO 2030



2021 ESG HIGHLIGHTS



Social



Spent **\$2.2+ billion** on certified diverse suppliers in 2021 (as an active member of the exclusive Billion Dollar Roundtable)



Awarded Brand Keys
#1 Customer Service Award



Launched the **#PowerofPRIDE** Employee Resource Group to support the LGBTQ+ community



Launched our first **DE&I virtual town hall**, featuring Dr. Marcus Stewart, Associate Dean of DE&I at Bentley University



Expanded our Via partnership to 29 locations across 20 markets in the United States

RUOK?TM

Forged a new partnership with **RUOK?** to help raise awareness about the importance of **mental health and well-being**

2021 ESG HIGHLIGHTS



Environmental



63% of our vehicles are rated
30 miles per gallon (highway)
or better



5.3M miles
driven on our **electric**
vehicles



68% of our vehicles in
Scandinavia are **hybrid or electric**



42% of our vehicles are
U.S. EPA SmartWay-certified

30,000
hybrid and electric
vehicles (one of the
largest low-emission
car rental fleets)



400+ VW eGolfs (Zipcar),
the **largest publicly available**
fleet of electric vehicles in
the United Kingdom





ESG STRATEGY

The purpose of our ESG strategy is to provide safe, sustainable, and equitable transportation solutions.

Launched in 2020, our ESG strategy capitalizes on our strengths, defines our priorities, sets ambitious targets, and highlights where we need to work harder. It helps us identify business risks, build resilience, meet customer expectations, and address the most pressing global environmental and social challenges that we face.

Our strategy ensures everyone at Avis Budget Group is working toward the same targets.

Environmental

Transportation (road, rail, air, and marine) is the fastest-growing sector of greenhouse gas emissions (GHG), accounting for over 27%¹ of emissions in the United States alone. Estimates attribute 15% of that total to passenger vehicles, which are also the greatest source of air pollution in U.S. cities.

As a leading global transportation provider, we realize it is our responsibility to reduce our emissions, waste, and water use. Our targets to reduce emissions by 30%, water use by 30%, and achieve zero waste-to-landfill by 2030 will support our role in the transition to a low-carbon economy and efficient use of natural resources.

Social

We have already been working toward increasing the diversity of our workforce and fostering an inclusive culture. Now, we have established 2030 targets that will see us maintain 50% diversity, maintain 100% gender pay equity at all levels of the organization, and invest at least \$10B in diverse suppliers.

Governance

We conduct our business ethically, ensuring we comply with applicable laws, rules, and regulations.

The travel industry is by its very nature, global. This leads to increased risk for human trafficking and exploitative practices. We take our responsibilities very seriously and are taking steps to train 100% of our Rental Agents to help identify and respond to human trafficking.

Looking Toward 2030

As we travel the path to 2030, we will continue to integrate our ESG principles into more of our operations and daily processes. We believe thoughtful decisions and steady progress will drive internal change and influence external improvement.

¹ According to the EPA's Fast Facts on Transportation Greenhouse Gas Emissions.



2030 TARGETS



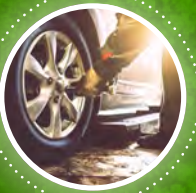
ENVIRONMENTAL



REDUCE ABSOLUTE GREENHOUSE GAS (GHG) EMISSIONS BY 30%



MINIMIZE WATER FOOTPRINT BY 30% (PRIORITIZING WATER-STRESSED LOCATIONS)



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



SOCIAL



INVEST \$10B IN DIVERSE SUPPLIERS



MAINTAIN 100% GENDER PAY EQUITY



MAINTAIN 50% DIVERSITY



GOVERNANCE



TRAIN 100% OF RENTAL AGENTS TO HELP COMBAT HUMAN TRAFFICKING









WHERE WE FOCUS

A key part of our ESG strategy includes connecting with others to share best practices and lessons learned. We believe a community of organizations working to protect the environment, safeguard human rights, promote economic growth, and improve the lives of people around the world will achieve more progress together than the same number of entities working independently.

Stakeholder Engagement

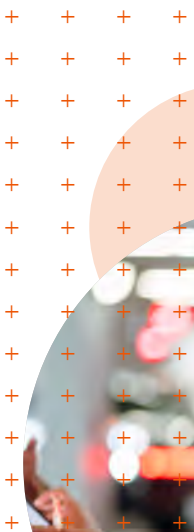
We partner with key stakeholders to capture their insights on what we need to do to improve ESG as an organization.

We have created forums to listen to and understand their ESG-related concerns and identify opportunities to create value and manage risk. We have carefully considered their feedback to build our strategy.

OUR STAKEHOLDERS	HOW WE ENGAGE
 Shareholders	We aim to deliver sustainable, responsible growth to our shareholders, demonstrating our commitment to best-in-class ESG practices.
 Customers	We are constantly innovating our proposition to meet the changing demands of our customers. We routinely ask our customers for feedback every time they rent with us. In 2021, we received responses to our surveys from 1.7M customers who shared their rental experience with us. Customers are and will always be at the heart of everything we do.
 Employees	We strive to stay informed about the needs and expectations of our employees through employee surveys, two-way communication channels, regular manager check-ins, and career development programs.
 Communities	We partner with government agencies and nonprofit organizations to strengthen community resilience and improve community prosperity.
 Transportation Partners	We develop partnerships with transportation trailblazers, including Our Community CarShare, Uber, Via and Digital Key to leverage our fleet and data capabilities. These partnerships promote ride-sharing and reduce emissions and traffic congestion.
 Suppliers	We partner with diverse suppliers to manage risks and create shared value.
 Industry Peers	We help develop industry opportunities through active partnerships in trade associations, including the American Car Rental Association (ACRA), the Truck Renting and Leasing Association (TRALA), and the Global Business Travel Association (GBTA).

Materiality

The transportation industry has always innovated at high speed. We regularly evaluate, realign, and advance our strategy, programs, and reporting in areas where we can make the greatest impact. We are always prepared to change direction if a new approach will achieve a better result or accelerate progress.



IMPORTANCE TO OUR STAKEHOLDERS

VERY HIGH

HIGH

MEDIUM



BIODIVERSITY & OCEAN CONSERVATION



RESPONSIBLE MARKETING



LOCAL ECONOMIC BENEFITS



GREENHOUSE GAS EMISSIONS



CYBER SECURITY



CUSTOMER EXPERIENCE



DIVERSITY, EQUITY, & INCLUSION



TRANSPORTATION INNOVATION



VEHICLE & ROAD SAFETY



WASTE



SUPPLY CHAIN RESPONSIBILITY



HUMAN RIGHTS



COMMUNITY ENGAGEMENT & INVESTMENTS



INCLUSIVE TRANSPORTATION



EMPLOYEE ENGAGEMENT & BENEFITS



PUBLIC POLICY PARTICIPATION



LABOR & MANAGEMENT RELATIONSHIPS



EMPLOYEE TRAINING & DEVELOPMENT



WATER



OCCUPATIONAL HEALTH & SAFETY



ETHICS, ANTI-CORRUPTION & COMPLIANCE

MEDIUM

HIGH

VERY HIGH

RELEVANCE TO OUR COMPANY'S BUSINESS MODEL



United Nations Global Compact (UNGC)

In 2021, Avis Budget Group became the first global U.S. based vehicle rental company to sign onto the UNGC, an international initiative that encourages businesses to operate in a sustainable and socially responsible manner. It provides a framework for businesses to align their operations with 10 core principles in the areas of human rights, labor, environment, and anti-corruption.

We joined more than 16,000 member companies working to effect change, making UNGC one of the largest corporate responsibility programs in the world. UNGC provides an inclusive platform for businesses to connect and share strategies for operating in a more sustainable and socially responsible way.

"Joining the Global Compact is a natural progression for Avis Budget Group as our own guiding principles are already closely aligned. The UNGC has guided companies to make significant improvements to the environment and human rights around the world. All of us at Avis Budget Group are committed to making a positive impact in the world of sustainable transportation."

Joseph Ferraro,
President and CEO



Advancing United Nations Sustainable Development Goals (UN SDGs)

In 2015, all UN member states adopted the SDGs, which are based on the belief that sustainability is a global responsibility that can only be achieved through international cooperation.

The SDGs cover a wide range of topics, including poverty reduction, gender equality, economic growth, climate change, and peace and justice. We have identified six SDGs to measure against where we believe we can make the biggest contribution, given the nature and scale of our business.



VEHICLE & ROAD SAFETY

Our Long-Term Focus:

Partnering to help reduce the number of injuries and casualties.

2021 Milestones:

85% of our fleet was rated 4 & 5 stars in Overall Car Crash rating by the NHTSA, Euroncap or ANCAP.



WOMEN & GIRLS

Our Long-Term Focus:

Empowering women and girls across our value chain.

2021 Milestones:

Women had a salary **3** percentage points higher, on average, than men in comparable roles.



WATER

Our Long-Term Focus:

Protecting community access to clean, potable water.

2021 Milestones:

We installed 35 new car wash systems that recycle and reuse up to **80%** of their wastewater.



INCLUSIVE ECONOMIC GROWTH

Our Long-Term Focus:

Leveraging the power of transportation to create local jobs and economic opportunity for all.

2021 Milestones:

66% of our U.S. employees are diverse.



SUSTAINABLE TRANSPORTATION

Our Long-Term Focus:

Partnering with government agencies and transportation innovators to relieve congestion and make cities smarter.

2021 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.

2021 Milestones:

The weighted average rental fleet fuel economy was **26** miles per gallon (U.S.) and **197** grams of CO2/km (international).



PROGRESS AGAINST 2030 ESG TARGETS



ENVIRONMENT

Greenhouse Gas Emissions

Reduce absolute Greenhouse Gas Emissions (GHG) **30%** by 2030 from 2018 base year

Metric	Progress
Percent change in annual Scope 1 and 2 emissions, CY2021 compared to CY2018 baseline	11.5% decrease
Percent change in Scope 1 and 2 annual emissions, CY2021 vs. CY2020	22.6% increase
Carbon intensity (Scopes 1 & 2) for CY2021 (MT CO2e per \$M revenue)	0.000653
Percent change in carbon intensity per revenue, CY2021 vs. CY2020	9.9% decrease



Water

Minimize Water Footprint **30%** by 2030 from 2018 base year, prioritizing water-stressed locations

Metric	Progress
Percent change in annual water consumption, CY2021 compared to CY2018 baseline	15% increase
Percent change in water consumption, CY2021 vs. CY2020	56% increase
Water intensity for CY2021 (Kgal per \$M revenue)	0.000371
Percent change in water intensity per revenue, CY2021 vs. CY2020	9% decrease



Waste

Achieve **zero** Waste-to-Landfill for tires, windshields, motor oils, and car batteries

Metric	Progress
Percentage of targeted waste materials diverted from landfill and incineration globally in CY2021	Maintained 100%



SOCIAL

Supplier Diversity

Invest **\$10B** in Diverse Suppliers

Metric	Progress
Amount sourced from certified diverse suppliers for our U.S. businesses, goods, and services in 2021	\$2.2B
Percentage to 2030 target	22%



Gender Pay Equity

Maintain **100%** Gender Pay Equity

Metric	Progress
Average base salary placement for women in management positions compared to men	Women had a salary 3 percentage points higher, on average, than men in comparable roles



Employee Diversity

Maintain **50%** Diversity

Metric	Progress
Percentage of employees in the U.S. who identify as ethnically or racially diverse	Tracking at 66%



GOVERNANCE

Human Trafficking

Train **100%** of Rental Agents to help combat Human Trafficking

Metric	Progress
Percentage of Rental Agents trained on Human Trafficking	Preparing to launch training for Rental Agents in 2023

The global shared transportation market is estimated to grow from \$96.01B in 2022 to \$188.43B in 2030.²

THE FUTURE OF TRANSPORTATION

Moving Toward the Future of Transportation

Alongside our transportation industry colleagues, we have been working toward the future of transportation where vehicles will be connected, affordable, and environmentally friendly. There will be more green spaces than parking spots, everyone will have easy access to transportation, and municipal infrastructure will prioritize more modes of sustainable transportation. Our determination to see this future come to life has heavily influenced our partnerships, programs, vehicles, and our ESG strategy.

Working Together to Expand Accessibility

Access to transportation is crucial to the growth of our global economy and affects our quality of life. Lack of accessibility is a global problem and finding an effective solution requires frequent collaboration between public, private, academic, and government transportation organizations.

Avis Budget Group is an essential part of this industry effort. We have carefully cultivated innovative brands like Zipcar and formed partnerships with transportation pioneers like Via and Uber to extend our reach beyond rental vehicles into shared transportation, micro-transit, and other solutions.

Eliminating Transit Deserts

New technologies and innovations enable transport providers to service an increasing number of areas without acceptable access to transit.

Last mile transportation solutions such as Via offer reliable, convenient, and affordable transportation to residents in small towns and cities located in transit deserts.

TERMS



Accessibility: a variety of transportation options that are geographically close, affordable, time-saving, reliable, and safe.



Sustainable Transportation: low- and zero-emission, energy-efficient, affordable modes of transport, including electric and fuel-efficient vehicles. It is an essential component to the transition to a low-carbon economy.



Shared Transportation: a shared and on-demand use of a vehicle or other mode of transport. It includes car-sharing services, ride-hailing, and bike- and scooter-sharing programs. Shared Transportation increases flexibility, lowers costs, and reduces congestion and carbon emissions.



Transit Desert: a geographic area where public transportation is either nonexistent or inadequate. Residents without access to a car or other transportation can have difficulty getting to work, school, or other essential destinations.



First Mile/Last Mile Solutions: transportation services and infrastructure that make the connection from a person's starting point (often their home) to a transit stop, and back again (the first and last mile of their trip), more accessible and reliable. MicroTransportation vehicles like bicycles and scooters are increasingly being used to bridge this gap.

² According to a new study by Polaris Market Research: Shared Mobility Market Share, Size, Trends, Industry Analysis Report

TERMS



MicroTransportation: a small, lightweight vehicle used for short-distance travel, including bicycles, electric scooters, and skateboards. As the world becomes increasingly urbanized, MicroTransportation is likely to play an increasingly important role in the way we get around cities.



Smart Transportation: transportation systems that utilize technology to maximize efficiency and minimize the environmental impact of travel. It can analyze traffic flow and optimize routes, transmit traffic and transit information, and direct self-driving cars. Smart Transportation can help save time, money, and resources, and create more livable cities by making it easier for people to get around.



Inclusive and Equitable Transportation: provides all residents the same opportunities to move around their neighborhood or community, regardless of their income level or other factors. This can include improving accessibility by providing affordable public transit and building sidewalks and wheelchair ramps in public places. Equitable Transportation ensures that everyone has the same opportunities to succeed.

Utilizing More Modes of Transportation

In the future, privately-owned electric vehicles will play a big role but there will be a vastly smaller number of them. People around the world have been steadily moving into cities, a trend that will continue to shape our future.

As cities and surrounding suburbs become more crowded, transportation accessibility will improve. Residents will rely less on privately owned vehicles to travel from point A to B and back.

The Rise of Smart Vehicles, Smart Cities, and Smart Infrastructure

The growing number of connected vehicles is prompting the rise of smart cities. Both cities and smart vehicles will need to be connected and supported by smart infrastructure.

Our growing fleet of connected vehicles will enable us to securely collect and manage real-time anonymized data that could someday be shared with urban developers to plan smarter cities and better infrastructure. Incorporating aggregated data from connected vehicles into smart city solutions could provide deeper insight into congestion management, traffic flow, route optimization, transportation system planning, emissions management, parking management, and more.

One key to sustainable transportation in cities is integrating various modes of travel with smart infrastructure systems. In the future, when people take their scooters, bus, train, or ride-hail to visit friends and family, they will be able to book and pay for all these modes of transportation using a single application on their mobile device. A map function could chart their journey from the front door to their final destination and even offer suggestions for what types of transportation is the fastest route.

WHAT DOES THE FUTURE OF TRANSPORTATION LOOK LIKE?

- fewer cars on the road.
- more carpooling.
- affordable access to a vehicle.
- less driving.
- more fuel-efficient vehicles.
- fewer carbon emissions and cleaner air in our communities.

We are building momentum in the transition to hybrid and electric vehicles, giving us clear line of sight to our carbon reduction targets and beyond.



MOVING TOWARD



WORKING TOGETHER

Moving toward the future of transportation is a significant undertaking that takes the effort and cooperation of public and private entities, municipalities, and academic initiatives.



CURRENT ISSUES

Transportation has the highest reliance on fossil fuels of any sector, representing 37% of global carbon emissions³. For city dwellers, traffic congestion causes pollution and wastes time and space (for parking). People who live in transit deserts live without access to any transportation at all.

³ According to the International Energy Agency (<https://www.iea.org/topics/transport>)

EVOLVING TRANSPORTATION

As we move toward more public, shared, and electric transportation, we move closer toward the future of transportation.



Improvements in urban planning offer more convenient and affordable access to various modes of transportation, including on-demand micromobility and car-sharing.



Innovations in electric vehicles (EVs) and charging infrastructure reduce the cost of ownership and accelerate the transition from internal combustion vehicles to EVs.



Adoption of EVs, micromobility and car-sharing services reduce our reliance on gas-powered vehicles, decreasing noise levels, air pollution, and carbon emissions.



Developments in electric trucks for last-mile home deliveries support the adoption of EVs at scale.



Investments in public transportation help advance equity and ensure that everyone has the same opportunities to succeed.

THE FUTURE OF TRANSPORTATION

SMART VEHICLES



EVs and less reliance on private car ownership will reduce emissions, save money, reduce parking needs, and reduce congestion.



Expanded public transportation, more routes, and easier access will reduce the need for privately owned cars and reduce emissions.



Fuel-efficient and electric trucks will reduce emissions, and streamlined delivery routes will increase efficiency and reduce traffic congestion.

SMART CITIES



Data collection and information sharing will lead to more efficient and environmentally-friendly urban planning.



Fewer privately owned cars means fewer parking spaces, freeing up real estate that can be used for green spaces, protected bike paths, or more sidewalks.



Connected vehicle data will be used to allocate cars and resources where they are most needed and to make access to transportation more readily available.

SMART INFRASTRUCTURE



Better neighborhood planning for microtransportation will provide access to more modes of transportation in our communities.



Greater access to charging infrastructure will accelerate the adoption of EVs and reduce carbon emissions.



Less traffic and more autonomous vehicles may reduce accidents, injuries, and deaths.



Connecting transit deserts will increase residents' access to healthcare services, consumer services, employment and educational opportunities, and social services. It is also important for accessing recreation and other activities of daily life.



Better access and reliable transportation in rural areas will contribute to the economic development, health, and quality of life of rural communities.

We are helping to create a future where transportation is connected, integrated, and on-demand by advancing equitable transportation solutions and improving customer experiences.

We have formed a range of new partnerships and services to ensure that we remain at the forefront of our industry. Through every one of our brands, we provide access to inclusive and sustainable transportation options for consumers in more areas around the globe.

Our passion and ingenuity keep us moving toward the future of transportation. We're at a pivotal moment to provide safe, sustainable, and equitable transportation solutions.

avis budget group





2

ENVIRONMENT





We understand the significance of our role as one of the world's leading transportation solutions providers. We know it is important to act responsibly and do our part to support global efforts in the transition to a low-carbon economy.

We believe that leading the way in sustainable transportation solutions and reducing greenhouse gas emissions from vehicles is key to not only reaching our 2030 environmental targets but, more importantly, effecting substantial change.

That's why, in 2020, we committed to an industry-first greenhouse gas emissions reduction target of 30% by 2030 (using the absolute-based approach⁴). In 2021, we began working toward our goal of reducing our water footprint by 30% and achieving zero waste-to-landfill (both by 2030).

Our 30% emissions target is directly tied to our fleet because consumer use of our vehicles currently comprises 99% of our combined emissions. During the next decade, we are determined to offer a fleet that keeps getting greener, smarter, and safer.

This is how we're doing it...



Ensuring electric and hybrid vehicles are available to rent at most of our rental locations.



Optimizing our fleet by leveraging connected vehicle technology.



Making sustainable transportation central to our company by expanding car-sharing solutions (through our Zipcar brand).



Expanding transportation accessibility through our partnership with Via, a micro-transit company.



⁴ An absolute target refers to a reduction in actual emissions in a future year when compared to a base year.

OFFERING A GREEN, SMART, SAFE FLEET

Fleet Efficiency

We believe the passenger vehicle ecosystem is heading towards electric and hybrid vehicles.

In anticipation of this shift, we have been working with our Original Equipment Manufacturer (OEM) partners to optimize a product line for EVs, while our charging infrastructure partners tackle logistical hurdles. Our customers can choose from a wide variety of vehicles, including hybrids, electric, or fuel-efficient vehicles, at virtually all our rental locations.

As the demand for EVs and availability of charging stations evolve, we will allocate these vehicles where they are most needed and have access to the necessary infrastructure.

Expected EV Transition in the U.S.⁵

U.S. EV production is ramping up.

- 2022: 1% of U.S. cars on the road are electric.
- 2035: 50% (estimated) of cars sold in the U.S. will be electric.
- 2050: 60%-70% of U.S. cars on the road will be electric.

As automakers ramp up the production of EVs and infrastructure updates keep pace, we will be ready.

In 2021, our weighted average rental fleet fuel economy was 26 miles per gallon in the U.S. and 197 gCO₂/km internationally.



⁵ According to Reuters Graphics: The long road to electric cars in the U.S.

SmartWay Vehicles

Every year, the U.S. Environmental Protection Agency (EPA) rates new cars, trucks, and Sport Utility Vehicles (SUVs) for both greenhouse gas and smog-forming emissions using a 10-point scale. To earn the SmartWay designation, a vehicle must receive a combined score well above the average vehicle.

SmartWay vehicles are equipped with advanced technologies that help reduce emissions, improve fuel economy, and lower maintenance costs. In the United States, 42% of our fleet has received the EPA SmartWay certification; this represents a 5% increase compared to 2020.

SmartWay Certified Vehicles

Car Class	% SmartWay
Compact	100%
Intermediate	95%
Standard	43%
Full-size	45%
Standard SUV	37%
Minivan	86%
Hybrid	100%

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

FULL-ELECTRIC HOME DELIVERIES

We ordered 1,000 all-electric Ford E-Transit Vans for our Budget Truck business. This marks the first time we will offer light-duty electric trucks in our rental and leasing fleet. The E-Transit has a battery range of nearly 126 miles on a single charge, making them ideal for zero-emission home deliveries.

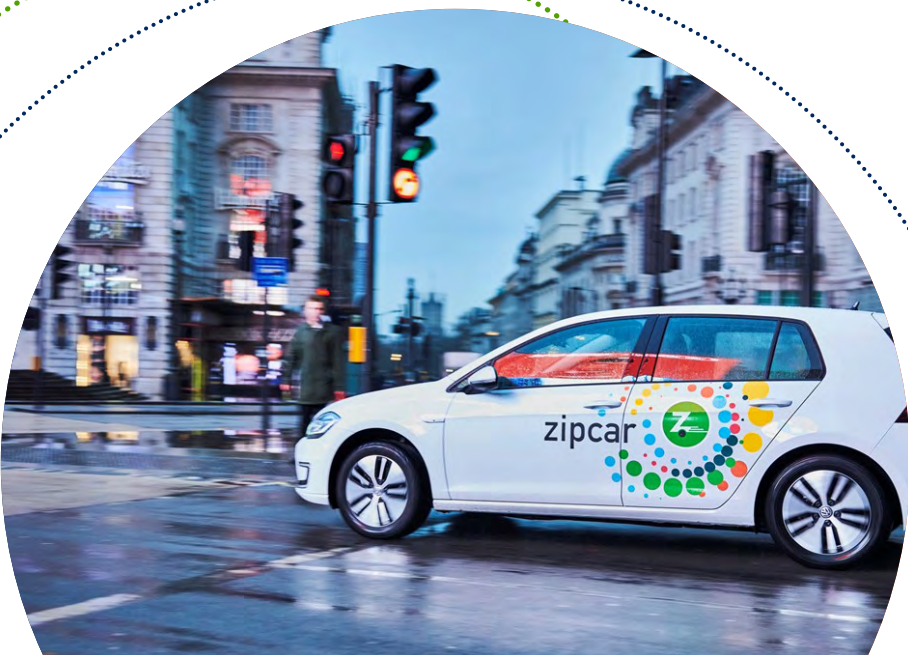


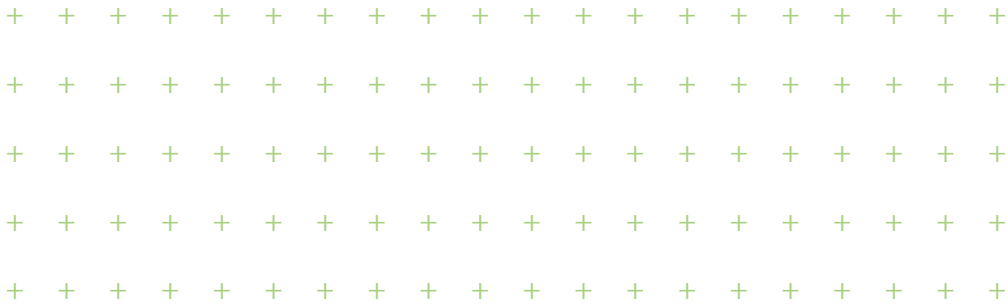
Zipcar

Zipcar is the world's leading car-sharing network. Its mission is to enable simple and responsible urban living and eliminate the need for personal cars. Zipcar use reduces traffic congestion, lowers GHG emissions, and frees up parking spaces in cities. Zipcar provides on-demand, self-service vehicles available in reserved parking spaces in neighborhoods, business districts, and college campuses across the United States, the United Kingdom, and Canada.

Avis Budget Group acquired the brand in 2013. Our global reach and decades of industry knowledge, combined with Zipcar's domination of the car-sharing space, led to a significant increase in global transportation accessibility.

In 2021, Zipcar had 1 million members. To date, the members of Zipcar's 10 largest markets have helped keep more than 140,000 cars off our streets.





Fleet Maintenance & Optimization

Most vehicles in our fleet are less than 18 months old. They are safe, reliable, and have newer technology than most cars on the road.

The digitalization of our fleet drives significant operational efficiencies. When we receive critical real-time data from our connected fleet, such as preventative maintenance alerts, tire pressure, vehicle condition, and mileage, we can ensure our fleet is running at maximum fuel efficiency.

We prioritize high-quality vehicle maintenance to ensure customer safety and satisfaction. When our technicians perform preventative maintenance, the work meets or exceeds manufacturer guidelines. We have also established policies and procedures to promptly address manufacturer recalls.



As supply chain issues and a chip shortage make it difficult to order new cars, our well maintained fleet has minimized any potential disruption to availability of new vehicles to our business.





INNOVATION & PARTNERSHIPS

We continuously evaluate opportunities to leverage technology and build new business models. Our long-term investments in connectivity, mobile digital user experience, new technology partnerships, and self-service fleet management ensure we are in the best position for growth in a new transportation world.

Executing on our Innovation Plans:



We are **enhancing the rental process** by empowering the customer and improving the overall journey.



We are **digitizing the business** by redesigning existing processes to drive increased operational efficiencies.



We are **exploring and developing new lines of business by building** on our core experiences.

Our data-driven vehicle management system communicates in real-time with our customers, our vehicles, and our operations teams.

These investments support our strategy to further increase fleet fuel efficiency, improve the efficiency of our inner-city networks by minimizing mileage driven by our shuttlers, and ensure that we have the right mix of vehicles on hand to fulfill daily reservations.

Information we use to innovate our business comes from four areas of our connected fleet:

- 1 **GPS:** Transmits real-time location.
- 2 **Vehicle telemetry data:** Records real-time mileage and archival analytics with different levels of granularity.
- 3 **Fuel/battery level:** Fuel consumption reporting capability to the 1/10th of a gallon or liter.
- 4 **Vehicle systems communication:** Real-time and archival vehicle system information such as low tire pressure and diagnostic trouble codes.

Progress Through Public Partnerships

Public-private partnerships were crucial to Zipcar's rapid, early expansion and success. In 2018, we partnered with the New York City Department of Transportation to launch the nation's largest on-street, car-sharing program. From Brooklyn to the Bronx, we have unlocked nearly 230 on-street and municipal parking locations for Zipcar.

Shared Transportation Solutions in London

In 2021, Zipcar launched an EV program in London called Zipcar Flex with 400+ vehicles. It immediately became popular, and demand has not slowed since. Through Zipcar Flex, we offer one-way rentals that are often used to go to and from London Heathrow Airport.

In the London boroughs of Hammersmith & Fulham, we have teamed up with municipal leadership and the local business association to launch the first electric van service for small businesses. Qualified businesses can use it free of charge. This is an extension of our original 2020 Brixton Council pilot. These van-sharing programs help cities reduce the number of high-emission delivery vehicles,

minimize parking demand, and enable small businesses to operate in the current and expanding ultra-low emission zone.

Digital Key and Auto Exit Gate

We continue to pioneer self-service transportation for our rental customers. In 2021, we launched Digital Key technology and Auto Exit Gate services through our Avis mobile app for rapid automated and secure check outs. These features drive our touchless rental experience, increasing customer safety and convenience.

Transportation Lab

Launched in Kansas City in 2017, our Transportation Lab is a test bed for developing new operational processes. Data drives the new global digital economy, and our connected fleet data positions us to power transportation initiatives today and into the future.

At select locations, customers can skip the line and get on the road with a contactless, automated, and express experience. The Digital Key technology feature in our Avis app enables customers to lock and unlock vehicles using their phones, eliminating the need for physical keys and key fobs.





49%

of Our Community CarShare participants did not have access to a vehicle prior to opting into the program.

Partnering with Leading Transportation Innovators

We are always looking for new partnership opportunities as we evolve our business and continue toward the future of transportation.

Our Community CarShare (OCCS)

In 2021, Zipcar and the Sacramento Metropolitan Air Quality Management District, through Our Community CarShare (OCCS) provided EVs at no cost to community members. In addition to raising awareness about the benefits of zero-emission transportation, the program aims to improve general air quality and strengthen local economies by supplying free transportation to residents of low-income communities.

OCCS also assists with the replacement of pollution-producing vehicles with environmentally friendly options. Currently, seven lower-income communities in the Sacramento region offer OCCS to their residents. Participants drove more than 213,000 zero-emission miles in 2021.

Uber

In 2020, we expanded our partnership with Uber to make thousands of environmentally friendly vehicles available to their drivers in cities across North America. Through these partnerships and digital integrations with our fleet management platform's APIs (Application Programming Interface), eligible ride-hail drivers can seamlessly and quickly reserve one of our vehicles using a third-party ride-hail app. This partnership reduces emissions, saves drivers gas money, and avoids additional wear-and-tear that would reduce the value of their personal vehicle.

Via Transportation, Inc.

Our vehicles serve transit desert routes in more than 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 Via vehicles to meet the transportation needs of the cities and agencies. The Via micro-transit initiative for first mile/last mile solutions services three main customers – riders located in transit desert areas, riders with disabilities, and corporate and university shuttles.



Partnering with Our Corporate Customers

We partner with corporate customers to help them reduce their greenhouse gas emissions and meet their own carbon offset targets.



Carbon Footprint Calculations

We can calculate greenhouse gas emission data for our corporate customers and gather additional information about specific locations or countries for any time frame, such as vehicle type, miles driven, and fuel consumption. Once our customers determine their annual greenhouse gas emissions reduction targets with respect to their car rental use, we collaborate with them to help them achieve their sustainability goals.



Carbon Offset Program

Through our carbon offset program, we support corporate customers who want to minimize the environmental impact of their car rental programs. Carbon offset credits are created through projects that remove or reduce greenhouse gas emissions through renewable energy generation, electric rail systems, or improved cook stoves.

ELECTRIC VEHICLE RIDE-HAILING

In 2020, Uber and Avis partnered to help Los Angeles Uber drivers transition to electric vehicles. The program was so popular that we expanded it to San Francisco, Boston, and Denver in 2021.



ENVIRONMENTAL COMPLIANCE

We meet or exceed state and local health and safety requirements, as well as environmental protection laws across our global operations.

In the U.S., we work with more than a dozen environmental consultants nationwide to manage our regulatory environmental programs including Spill Prevention, Control, and Countermeasure (SPCC), Stormwater Pollution Prevention Plan (SWPPP), car wash wastewater management, underground storage tanks, surface storage tanks, hazardous waste, hazardous materials, and permitting. Also, in the U.S., we staff a spill hotline 24 hours a day, 7 days a week.

Our Corporate Design and Construction team oversees our environmental compliance program and ensures we comply with all federal, state, and local regulations.

Environmental Compliance Indicators

TRAINING IN ENVIRONMENTAL ISSUES

We currently have 129 sites in the U.S. with underground storage tanks which require operator training under federal and state mandated regulatory programs.

We have trained and certified 136 operators. 15 locations in California are covered by third-party designated operators. All sites have trained operators on SPCC and Hazardous Waste.

ENVIRONMENTAL RISK ASSESSMENTS

In the U.S., we have 208 sites that require annual fuel storage tank system compliance testing. Each year, we test all systems for 100% compliance. The compliance testing ensures that all storage tanks' emergency/monitoring systems are functioning properly.

OTHER ENVIRONMENTAL ACTIONS

In the U.S., we comply with federal, state, and environmental regulations. Our regulated, underground storage tanks and systems are inspected every three years by a state or local environment agency.

In 2021, we completed LED lighting retrofits at our Milwaukee Airport and Chicago Midway Airport locations. This investment will save 197,726 kWh/year.

GREEN BUILDINGS

Energy Efficiency

We incorporate industry best practices to increase energy efficiency at our locations (office spaces, rental locations, parking lots, maintenance facilities) and we use leading ratings and certifications, including LEED, ENERGY STAR, and ISO 14001, to guide our progress. Our ongoing efforts are focused on exterior and interior light retrofits to LED lighting, as well as the installation of LED lighting for all Avis Budget Group-branded signage.

Across the U.S., we migrated major airport car rental locations into Consolidated Car Rental Facilities (ConRACs) where tenants are required to align with airport and local code requirements to achieve lower energy ratings. Currently, 16 of our locations are LEED certified.

Clean-Burning Furnaces

Our major U. S. location maintenance facilities are heated by clean-burning furnaces built to run on used motor oil. These facilities no longer ship used oil to recycling facilities or consume external energy for heating. These furnaces consume all used motor oil generated in our locations, reducing waste.

MAINTAINING HIGH STANDARDS

By leveraging our Environmental Management System (EMS), our rental locations and facilities in Spain and Scandinavia are ISO 14001 certified.

GREENHOUSE GAS EMISSIONS

The reduction of greenhouse gas emissions is at the forefront of our climate strategy.

Most 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 2021, we saw a decrease of 11.5% in our Scope 1 and Scope 2 emissions compared to our 2018 baseline year. Emission intensity also decreased by 13%. This decrease is mainly attributed to lower business activity compared to pre-pandemic levels. In addition, our emissions reduction activities, most notably our hybrid and electric fleet, contributed to a 2% reduction in our total Scope 1 and 2 emissions.

MORE HYBRID AND ELECTRIC VEHICLES ENABLE SPEEDY EMISSIONS REDUCTION

In Scandinavia, 68% of our fleet is hybrid and electric (up 25% from 2020), making it the largest fuel-efficient rental fleet in the region. In 2019, Avis Sweden (AS) set out to reduce their emissions per kilometer from 100 grams CO₂ to 60 by 2025. The **AS Go Green** program guarantees all customers an environmentally friendly car on demand. It became popular immediately. The AS Go Green customers' prolific use of hybrids and EVs propelled Avis Sweden past their 2025 goal by 10 grams CO₂ (down to 50 CO₂ grams per kilometer), four years early. Now, Avis Sweden is vowing to cut that number in half to 25 by 2025.

Scope 1, 2 and 3 Emissions⁶

CO2-e (metric tons)	2018	2020	2021	Percentage Change
Scope 1 Emissions ⁷	6,827,371	4,920,349	6,039,288	-11.5%
Scope 2 Emissions ⁸	45,043	37,770	42,481	-5.7%
Scope 3 Emissions ⁹			12,852	
Total Scope 1 & 2	6,872,414	4,958,119	6,081,769	-11.5%
Emissions intensity (Scope 1 & 2)/(Total CO2-e / total revenue)	0.000753	0.000919	0.000653	-13%

Scope 1 Emissions Breakdown by Greenhouse Gas

CO2-e (metric tons)	2018	2020	2021	Percentage Change
Carbon dioxide (CO2)	6,804,447	4,905,150	6,023,953	-11.5%
CH4 (Methane)	6,284	1,975	2,533	-59%
N2O (Nitrogen dioxide)	16,640	13,224	12,802	-23%

Scope 1 Emission Breakdown by Activities

2021	CO2-e (metric tons)	Percentage
Car and Truck Rentals	5,851,828	97%
Zipcar Rentals	50,166	1%
Corporate and Other	137,294	2%

⁶ 2021 Scope 1, Scope 2 & Scope 3 (waste and business travel) emissions data was assured by ERM-CVS (third party data assurance firm). Our greenhouse gas emissions inventory is calculated using the EPA Center for Corporate Climate Leadership tool which is aligned with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

⁷ Scope 1 emissions are calculated based on fuel consumption using manufacturer miles per gallon specifications.

⁸ Scope 2 emissions are based on purchased electricity at our owned/rented and operated locations. Scope 2 emissions represent 60% of the countries in which Avis Budget Group operates.

⁹ Scope 3 emissions comprised of waste generated in operations and business travel. Waste data is based on our total waste generated in the United States at facilities operated by Avis Budget Group. 11% of sites in the United States were excluded from our calculation. These sites are leased buildings where data was not provided by the landlord. Business travel emissions data is based on air and rail travel in the United States, Canada and most of Europe. Two low-cost airlines in our booking system – Spirit and Frontier – are excluded from this calculation. Also, Spain is excluded from our main booking system.



WATER

Water scarcity continues to worsen worldwide, and the number of affected areas continues to increase. We strive to be responsible, efficient stewards of local water resources in the communities where we do business. To minimize our water footprint, we target our greatest areas of opportunity, which include consumption and wastewater associated with cleaning and maintaining our vehicles. We also prioritize reductions and efficiency measures at our operating locations with the highest level of water stress and scarcity risks.

In 2021, we installed 35 water-saving car wash systems across our major facilities in the U.S. These systems recycle and reuse up to 80% of their wastewater.

Water Risk Assessment

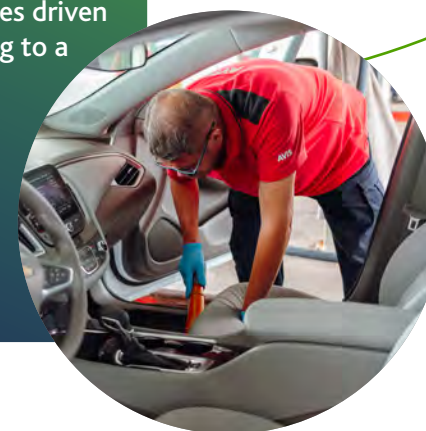
Every year, we conduct a water risk assessment to support our efforts to reduce water consumption. This assessment is conducted across all U.S. operating locations with the highest level of water stress and scarcity risks. According to the World Resources Institute (WRI) Aqueduct Tool, 28% of our operating locations are in the areas with high or extremely high baseline water stress. As a result, we are prioritizing our water reduction efforts at the sites that are not only under water stress, but are also our largest water consumers.

Location	Major Water Basin	2020 Water Use (kGal)	2021 Water Use (kGal)	
Phoenix Airport, AZ	North America, Colorado	22,844	16,977	Extremely High (>80%)
Denver Airport, CO	Mississippi, Missouri	9,243	23,870	Extremely High (>80%)
Los Angeles Airport, CA	California	10,416	20,101	Extremely High (>80%)
W. Palm Beach Airport, FL	Gulf of Mexico, North Atlantic Coast	11,198	11,064	High (40-80%)

Water footprint (U.S.)	2018	2020	2021	Percentage Change
Water consumption (kGal)	300,839	221,380	346,332	15%
Water intensity (total kGal / total revenue)	0.000033	0.000041	0.00003719	-12%

CLEANING CARS USING A WATERLESS PROCESS

In 2019, several locations in Spain piloted a Wash and Clean Quick Turn Around (QTA) process to save water. Returned vehicles under a short-term rental are visually inspected and if they are deemed clean enough, they will skip the trip to the car wash and the interiors will be vacuumed and cleaned with chemical products (a waterless process). This process not only provides significant water saving benefits - it also reduces miles driven to our car washes leading to a reduction in greenhouse gas emissions. In 2021, we expanded the Wash and Clean QTA program across Europe and Asia Pacific.



WASTE

We reduce waste in our operations by generating less, recycling more, and repairing and reusing materials whenever possible. Our investment in a newer, connected fleet and prompt, professional maintenance in response to real-time data alerts has positively impacted our waste efforts.

Monitoring and maintaining the correct tire pressure extends the life of tires, reducing the number we have to recycle or repurpose. Quick detection of windshield damage can often result in a repair, rather than replacement, lowering the number of windshields that need to be recycled. We expect that our steady migration from gasoline-fueled vehicles to hybrid and electric will also lower the amount of motor oil we use and recycle each year.

Motor oil, tires, car batteries, and windshields require special handling and disposal to comply with local regulations, so we work with certified waste service providers to ensure these waste streams are treated appropriately.

At our rental and office locations, we encourage employees to sort their refuse into the correct recycling bin at our recycling stations to help divert materials from landfill.



Regulated Waste Streams ¹⁰		2021
Gallons of used motor oil recycled or repurposed		623,475
Tires recycled or repurposed		250,289
Car batteries recycled		16,744
Windshields repaired		52,210
Windshields recycled		74,009

Non-Hazardous Waste (U.S.)	2018	2020	2021	Percentage Change
Municipal Solid Waste (MSW) generated (metric tons)	19,599	20,221	21,915	12%

¹⁰ We comply with all waste regulations across our global operations, which requires recycling or repurposing of car batteries, used oil, windshields, and tires.

3

SOCIAL





We know we can only become the best vehicle rental company in the world by promoting diversity, equity, and inclusion (DE&I) within our workforce, consumer base, communities, and supply chain. We make progress in these areas every day through key programs that prioritize DE&I across the company.

Our social strategy and culture is founded on shared values, the strengths of our relationships, and creating inclusive growth.

We believe the best workplace is one that is inclusive, supportive, and built on trust between individuals and teams at all levels of the organization.

Trust is gained when communication is open, honest and respectful; performance is recognized; growth is encouraged; accomplishments – individual and collective – are celebrated.

We have always supported our employees and we will continue to prioritize their growth, development, and well-being by anticipating and responding to their changing needs.

We foster partnerships with government agencies and non-profit organizations to improve community prosperity and resilience.

We are dedicated to having a positive impact on the communities where we live and work.



DIVERSITY, EQUITY & INCLUSION (DE&I)

We value each employee's unique talents, skills, and personality. We know they are a key component of our success.

A diverse workforce means richer ideas and broader perspectives when it comes to considering the needs of our global customers, stakeholders, and employees. Instrumental to our ongoing commitment to diversity, equity, and inclusion is our ambition to have a more representative workforce across all functions in our business. We believe this will inspire current employees, future job candidates, and the next generation of Avis Budget Group leaders.

U.S. Minority Representation

Job category	% Minority Representation
Hourly	70%
Manager	44%
Director	24%
VP	21%
Board of Directors	66%
Total	66%

Global Gender Representation

Job category	% Female Representation
Hourly	28%
Manager	35%
Director	40%
VP	23%
Board of Directors	33%
Total	36%

In late 2021, Avis Budget Group signed the UN Women's Empowerment Principles (WEP) to solidify our commitment to making a difference for gender equality and women's empowerment in the workplace, marketplace, and community.



We remain committed to our pay equity objectives. In 2021, the average base salary placement for women in management was 3 percentage points higher than men in comparable positions.

Global Gender Pay Equity

Gender pay equity is an integral part of our DE&I strategy because it helps us attract and retain the best talent and foster an inclusive workplace.

We have global compensation programs and policies to drive pay equity through standardized reward programs across all countries. We established global bonus programs that provide equal incentive pay opportunities for all employees in the same or similar positions around the world, and we use global guidelines and standards to make compensation decisions for all new hires and promotions.

For our management employees, we evaluate base salary placements relative to our internal salary ranges for all, regardless of gender. For our frontline, hourly workforce (non-management), all employees begin at the same start rate based on their location and position, and we apply annual pay increases consistently to all employees based on tenure.

To guide us and help measure our progress, we have set a target of maintaining 100% gender pay equity at all levels by 2030.

We understand and appreciate the value that diversity brings us and are proud of our progress in this area. We also realize that this effort is ongoing, and we are determined to keep improving.

Unconscious Bias Learning & Awareness

In 2021, we launched an educational campaign on unconscious bias. Designed and developed internally through the voices and experiences of our employees, the first installment of our educational series focused on bringing awareness to all employees and discussing our employees' experiences with bias.

Recruitment

We aim our talent strategy at attracting and retaining a diverse workforce. Our recruiters develop the skills necessary to understand and recruit diverse candidates. We post open positions to employment and diversity sites and network with diversity organizations.

We added diverse hiring slates and hiring targets to the short-term incentive plans of the HR and Talent Acquisition teams.

CONTINUING OUR FOCUS ON UNCONSCIOUS BIAS

In 2022, through our #PowerofDifferent initiative, Dr. Robert Livingston, social psychologist and guest lecturer at the Harvard Kennedy School, briefed Avis Budget Group employees around the world on the science of underlying bias and racism in organizations.



Employee Resource Groups (ERGs)

As an equal-opportunity employer, we are proud to provide an inclusive workplace where our employees know they are valued for their uniqueness and recognized for their diverse talents. We want everyone to feel like they belong.

To ensure we provide a channel for voices to be heard, we established four ERGs under our umbrella DE&I program **#PowerofDIFFERENT**. The **#PowerofDIFFERENT** is our commitment to provide an inclusive workplace that embraces and celebrates the demographic, cultural, and lifestyle differences of our employees. Our ERGs are brought to life by employees from diverse backgrounds. They advocate for equity, look for opportunities for advancement, and facilitate discussions to promote a more equitable and inclusive workplace.

Every ERG focuses on three strategic areas:

Education & Awareness:

Building on our collective experiences, knowledge, and expertise to create an equitable and inclusive workplace.

Inclusive Talent & Culture:

Ensuring our talent acquisition and development strategy focuses on maintaining a diverse workforce, and grows talent in ways that recognize, celebrate, and leverage our differences.

Connections & Partnerships:

Creating opportunities to connect, not only with each other internally, but through key external partnerships that align with our philosophies and beliefs.

Our four ERGs:



Power of WOMEN:

Assisting women in their careers through programs that focus on increasing female representation in the workplace and supporting women both at Avis Budget Group and in our communities.



Power of COLOR:

Encouraging open discussion among all employees, promoting awareness of the unique experiences of people of color, and supporting opportunities that remove barriers.



Power of VETERANS:

Providing career support and opportunities that address the unique needs of current and former servicemen and women and promoting involvement in veteran friendly programs that benefit these employees, their families, and their communities.

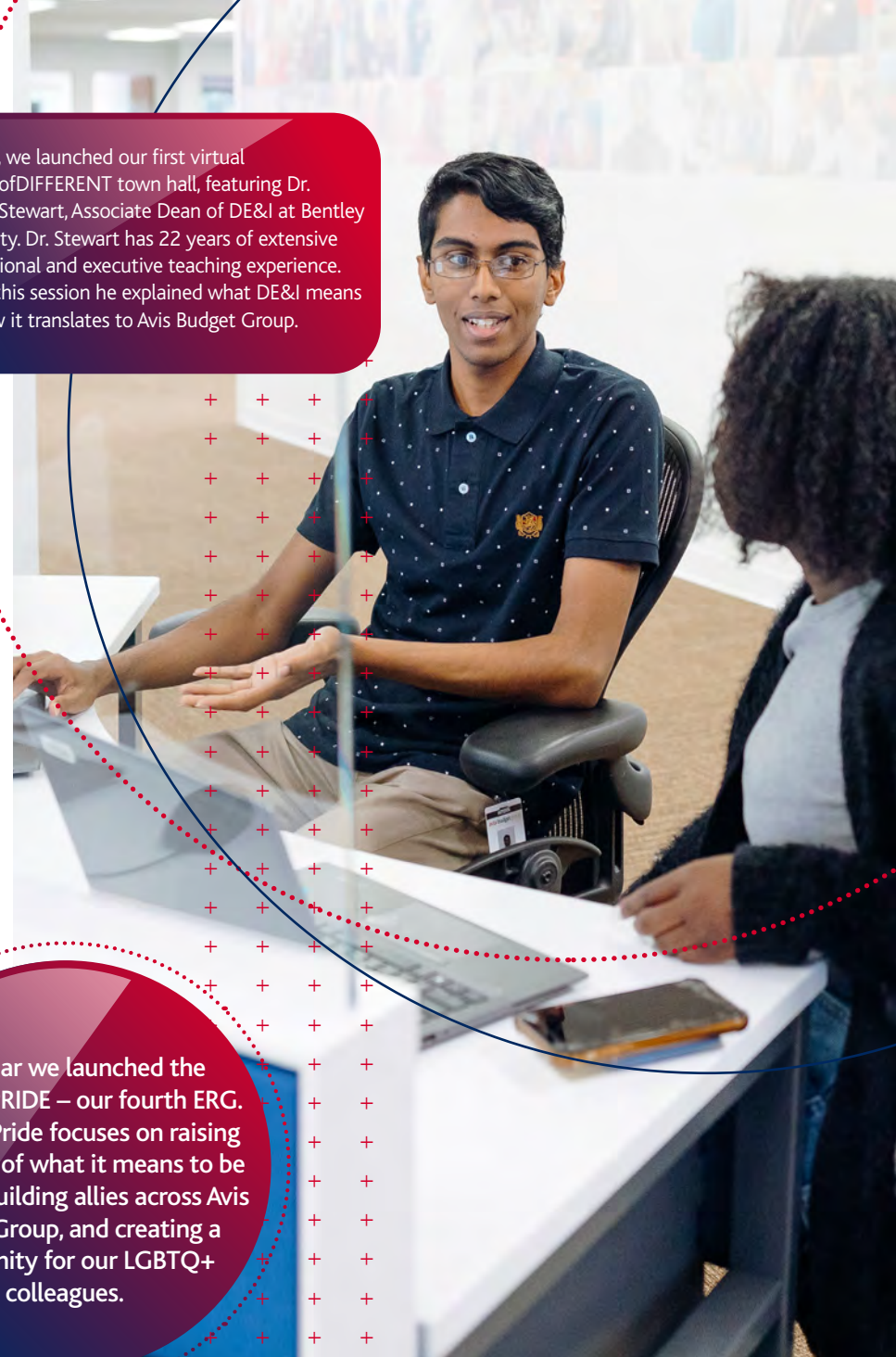


Power of PRIDE:

Promoting a positive and inclusive environment through education, advocacy and networking, which celebrates our LGBTQ+ community, with the aim of becoming an employer of choice for LGBTQ+ individuals and their allies.

In 2021, we launched our first virtual **#PowerofDIFFERENT** town hall, featuring Dr. Marcus Stewart, Associate Dean of DE&I at Bentley University. Dr. Stewart has 22 years of extensive international and executive teaching experience. During this session he explained what DE&I means and how it translates to Avis Budget Group.

This year we launched the **Power of PRIDE** – our fourth ERG. Power of Pride focuses on raising awareness of what it means to be LGBTQ+, building allies across Avis Budget Group, and creating a community for our LGBTQ+ colleagues.





Supplier Diversity

We are an industry leader in supporting diverse suppliers, investing significant time and funds into Minority and Women-Owned Business Enterprises (MWBE). We have a public commitment to achieve a cumulative spend of at least \$10 billion on certified diverse suppliers by 2030. We are well on our way, having spent \$2.2 billion in 2021 alone.

We continue to be recognized as one of America's Top Corporations for WBE by the Women's Business Enterprise National Council (WBENC). We are the only car rental company to earn a spot on the annual listing since 1999.

Avis Budget Group has been a member of the exclusive Billion Dollar Roundtable (BDR) since 2009, with continued distinction as the only car rental company representative from the travel industry. BDR mandates that all corporate inductees spend at least one billion dollars annually with certified minority- and women-owned businesses on a first-tier basis.



HEALTH & SAFETY

Our people are our most valuable asset. Our core belief is that health and safety are everyone's responsibility, not only for our employees but for customers, vendors, and our community.

We are committed to:

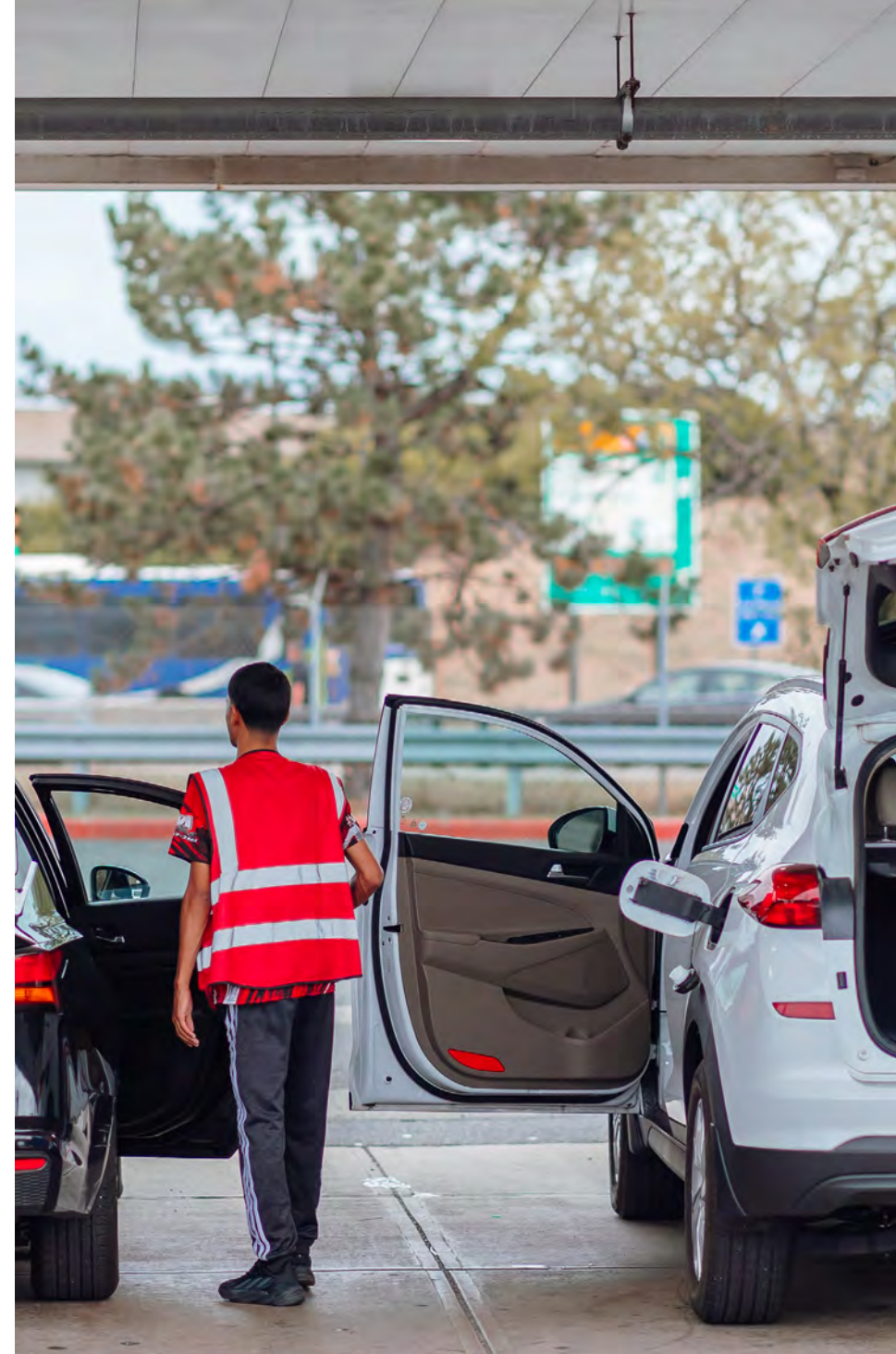
- using proven risk management principles to reduce workplace injuries and unplanned events.
- developing health, safety, and environmental compliance objectives, and communicating our performance in these areas to our employees, customers, vendors, communities, and shareholders.
- complying with relevant health & safety legal requirements in each country of operation.
- implementing reasonable precautions to eliminate hazards and reduce risks.
- continuously improving our Health & Safety management systems.

We encourage managers and employees to take part in safety meetings, regular workplace inspections and investigations. By harnessing the power of our global team, culture, and resources, we will help to create a healthier and safer workplace.

Health & Safety Indicators¹¹

Indicator	2019	2020	2021
Total recordable incident rate	2.73	2.23	2.99
Lost-time incident rate	0.93	1.07	1.02

¹¹ Performance is based on our United States operations which represents our largest employee population. These incident rates are calculated employees 100 Full Time Equivalent (FTEs). In 2021, there were no work-related fatalities in North America.





WELL-BEING

We take a holistic approach to well-being. To deliver their best performance, our employees need to be healthy and happy in all areas of their lives. In 2021, we introduced our Connecting You To Well-Being program to help our people achieve all aspects of wellness through encouraging habits that promote physical, emotional, and financial well-being.

We approach employee well-being through three focus areas:



PHYSICAL

Physical well-being is the ability to get the most out of our daily activities without undue fatigue or physical stress. We offer several ways for employees and their families to become and stay physically healthy. Preventative care coverage is available through our health plans. We also offer physical wellness challenges throughout the year for extra support maintaining healthy habits. Whether it's focusing on being more active or eating healthier, we dedicate our wellness challenges to helping employees achieve their goals in a fun and supportive way.



EMOTIONAL

Although social stigmas still exist around mental health, recent events have shined a bright light on the importance of mental wellness. We seek to break down barriers around mental health by providing employees with services to mitigate mental distress as well as the tools to recognize warning signs in themselves and others. We've ensured that our employees have access to professional counseling to help with emotional issues such as stress, anxiety, depression, relationship and family concerns, and substance abuse and addiction.



FINANCIAL

Money worries can cause mental anxiety and physical issues. We offer employees access to personal consultation, live webinars, and educational opportunities to learn about financial wellness, investments, financial planning, retirement readiness, pension options, saving plans, and discounts.

As a global company, employee benefits vary by country to reflect local practices and cultures, but our commitment to providing comprehensive and meaningful benefits and resources is consistent around the world.

To achieve this, we invested in a global benefits management model to drive consistency and value through integrated and coordinated brokerage services. This model improves plan design and risk management, which lowers plan costs and creates better value for our employees. Providing meaningful benefit programs and resources across the globe is an integral part of how we reward employees and an important part of strengthening our connection with them.

Physical Well-Being

We recognize employees need to be physically healthy and have healthcare options for their families in order to free them from worry and bring their whole selves to work.

We offer a comprehensive set of healthcare plans covering medical, dental, and vision. In some countries, benefits provided through Avis Budget Group are primary, while in others they may complement the government healthcare system.

Many of our plans are supplemented with benefits like discounted access to gyms, health coaches, and integrated wellness to help employees stay healthy and fit.

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

Our healthcare programs are flexible, competitive, and aligned with what employees and their families need, here are a few highlights:



United States

Our healthcare programs include free preventative care. 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 insurance, and home insurance.

We offer fully inclusive programs that cover a broad range of medically necessary services, such as Transgender Health Benefits including coverage of mental health, hormonal therapies, and surgical treatments. We also include either a same or opposite sex domestic partner as an eligible dependent for benefit coverage.

U.S. benefit-eligible employees can choose a dependent-care flexible spending plan which allows for reimbursement of dependent-care costs with tax-free dollars.



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 vouchers, and various travel or entertainment discounts.



United Kingdom

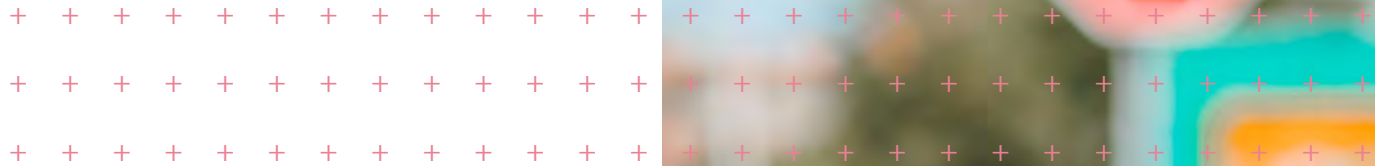
In 2021, we extended healthcare coverage to our entire U.K. population, introducing a health cash-plan for our frontline employees, allowing them to save on routine healthcare such as dental checkups and treatment, eye examinations and prescription eyewear, physiotherapy treatment, and 24/7 access to doctors and counseling services.

We also partner with Perkbox, a benefits platform that provides employees with access to a wide range of deals, discounts, and free products suited to them.



Spain

We have a flexible benefit program that allows employees to personalize their package and prioritize their choices based on their individual needs. Experiential benefits include lunch vouchers, extra holidays, free car rental, and rental discounts. We reward employees who "go the extra mile" with vouchers and team activities.



Emotional Well-Being

Emotional well-being is as important as physical well-being. Employees that feel emotionally supported through their employer and the benefits available to them are more connected to their workplace and their communities.

Our emotional well-being programs and partnerships vary by country and local organizations. Here are some highlights:



United States

In the U.S., we added a new Digital Emotional Well-Being program powered by Neuroflow to help strengthen mind and body connection through interactive activities and provide education for overall well-being.



United Kingdom

In the U.K., we partnered with Mental Health First Aid England – a social enterprise that trains people in mental health awareness and skills. The organization delivered Mental Health First Aid training to a group

of managers in the U.K., providing them with skills to spot signs of people experiencing poor mental health, start a conversation, and signpost a person to appropriate support.



Australia

In Australia, we partner with R U OK? – a suicide prevention organization that raises awareness about the importance of mental health and well-being. They have provided training to our Australian employees on how to identify and have conversations with team members who may be struggling with their mental health.

A flexible work policy is available at certain locations in the U.S. and Europe. This new policy applies to our employees who can work remotely and includes provisions for flexible working hours to accommodate employee needs.

Financial Well-Being

Helping our employees plan for the future through retirement savings is important, so we provide competitive retirement plans that complement government retirement systems. We also know that understanding and navigating retirement plan options can be challenging. Our retirement programs include a variety of educational and support tools, such as online resource centers and access to a licensed financial advisor. Resources like these ensure our employees have every opportunity to save and invest wisely.

We also want our employees to benefit from the industry they work in. We provide them, their friends, and their family access to an array of discounts on vehicle rentals and vehicle purchases from our fleet.

In an effort to help our employees' pay checks go further, we provide a variety of local perks and discounts designed to appeal to our teams in each country.

All employees across the U.S., Canada, U.K., Australia, and New Zealand have free access to our Employee Assistance Program (EAP) to assist them with work/life issues and to help resolve any personal matters – everything from mental and emotional well-being support to assistance with financial and legal matters.



EMPLOYEE ENGAGEMENT & DEVELOPMENT

Our employees 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 a great place to work are the foundation on which we build all employee initiatives.

Engagement

Every year, we conduct a global survey in multiple languages to give our employees an opportunity to talk about why they like working at Avis Budget Group and what we can do to make it even better.

When lockdowns and remote working options put even more physical space between our globally distributed workforce, we knew it was important to find more ways to communicate and connect. Our employees agreed, and we invested in updating our employee app so they could stay connected through our newsroom and community zones.

Every day, employees from around the world share achievements, celebrations, and accolades – from team-building activities, birthday parties and charity fundraising events, to recognizing colleagues who have displayed exceptional team spirit.

Learning & Development

Our President and CEO, Joseph Ferraro, moved up the ranks of Avis Budget Group over the course of 40 years. Our commitment to developing our employees and the belief that they can achieve any goal they aim for literally comes straight from the top.

We coach, support, encourage, and enable everyone to realize their potential and learn how their skills, experiences, and training can be applied to other roles. We want people to see Avis Budget Group as a company where they can grow.

To promote learning, we provide access to a mix of on-demand digital learning and on-the-job, leader-led, and peer-to-peer development experiences that are engaging, inspiring, and valuable.

Through our Developing You strategy, we set performance and development targets each year and provide a structured quarterly review process giving employees and managers dedicated time to discuss growth and achievement.

We are proud that we have built an environment that empowers our teams to do their best work so we all can continue contributing to our success.



GIVING BACK

As a global company, we have local reach in hundreds of communities around the world. Our employees dedicate thousands of hours each year 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 makes them feel proud to be part of the Avis Budget Group family.

Social Partnerships & Collaborations

We are a long-term sponsor of Make-A-Wish and Susan G. Komen. In 2021, we also began sponsoring R U OK? and Toys for Tots.

Over the years, we have held countless events to promote these organizations as well as the individuals and families they support. We also have active promotional codes on our Avis rental website that offer our customers the opportunity to support our charity partners.



Make a Wish

We are a national sponsor of Make-A-Wish, providing both financial and in-kind support to help grant the wishes of children with critical illnesses.



R U OK?

As a corporate sponsor of R U OK?, our funds support their school-based programs which educate kids about the signs of depression and anxiety.



Susan G. Komen Foundation

We are a 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, including research, community health, global outreach, and public policy initiatives, in order to make the biggest impact toward eradicating this disease.



Toys for Tots

Since 2021, we have sponsored Toys for Tots by providing both financial and in-kind support to brighten the holidays of children around the U.S. Toys for Tots was started in 1947 by Marine Corps Reserve Major Bill Hendricks. As a top-rated charity, more than 97 percent of donations go directly to providing toys, books, and other gifts to less fortunate children.



"I wish to have a white fluffy puppy."

— JADE, 7 | GENETIC DISORDER

**WISH GRANTED WITH
SUPPORT FROM AVIS**

"Jade used to always come home from her doctor appointments and want to sleep all day and complain of a tummy ache. Now, she comes home from appointments and wants to play with Sky. To see that change is immensely heartwarming."

— RUBI, | JADE'S SISTER



Community Support

Our employees are quick to rally to support each other when someone is in need.

In 2021, hurricanes struck New Orleans. A number of Avis Budget Group employees lost their homes, and other local team members were also affected. Our employees in the region immediately came to their colleagues' aid. Through employee and company matching donations, we raised a total of \$43,500 to purchase essential items for these families.

Crisis Response

During times of crisis, our focus is on preparing and protecting our people, property, and infrastructure. We use an "all hands-on deck" approach within our incident management and command structure to ensure that we respond rapidly and effectively.

In times of uncertainty, our customers can count on us to get them wherever they need to go, safely and conveniently. 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.

Taking the Lead to Make Communities Safer

We are proud of our legacy of taking proactive steps toward truly making a difference in the safety of communities.

In collaboration with consumer advocacy groups, we played a pivotal role in shaping safety recall legislation applicable to our industry.

We also continue to partner with the U.S. Department of Homeland Security and the Federal Bureau of Investigation in their efforts to identify and prevent threats of violence.



4 GOVERNANCE



CORPORATE GOVERNANCE

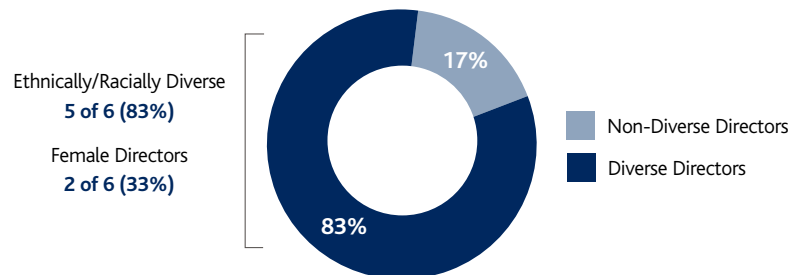
Our Board of Directors monitors the effectiveness of our policy and decision making on the current and long-term value of our company. Avis Budget Group Corporate Governance Guidelines, together with the charters of the Audit, Compensation, and Corporate Governance Committees, provide the framework for effective ESG governance.

Board Diversity

An important element of our ESG strategy is constructing a Board with a wide range of life experiences and viewpoints. Our Board seeks members from diverse professional and personal backgrounds who have fresh perspectives, expertise, and 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 and if they complement the needs of the Board.

83% of our Board are Diverse by Gender, Ethnicity, or Race



OVERSIGHT

The Board and our senior leadership team recognize the importance of ESG matters. They provide oversight and executive leadership for our global ESG strategy.

President and CEO, Joseph Ferraro leads the Executive Leadership Team representing a variety of disciplines, including Finance, Sales, Operations, Procurement, Technology Services, Marketing, Human Resources, Legal/Ethics & Compliance, and Corporate Affairs.

The Executive Leadership Team receives quarterly progress reports from the ESG Subcommittees, and they work together to resolve any issues or make any strategy adjustments.

Our ESG Governance

Board of Directors

The Corporate Governance Committee reviews all significant ESG policies, processes, and commitments, and delivers updates to the Board of Directors at least annually.

President and CEO

Our President and CEO collaborates with the Senior Leadership Team on oversight and Executive Leadership on strategies.

EVP & Chief Human Resources Officer (CHRO) and SVP, General Counsel, Chief Compliance Officer and Corporate Secretary

Our CHRO and our SVP, General Counsel, Chief Compliance officer and Corporate Secretary provide oversight of our global ESG strategy. They report to the President and CEO and collaborate with the ESG Team to establish, and lead plan implementation.

ESG Steering Committee

The ESG Steering Committee is comprised of our President and CEO and his direct reports. They provide thought leadership on ESG practices and policies.

ESG Subcommittees

The ESG Subcommittees are high-touch engagement groups that provide input, track emergent issues, foster collaboration, ensure transparency, and drive continuous improvement towards initiatives.



ETHICS & COMPLIANCE

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

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 communication 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 the best vehicle rental company in the world.

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.

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. The Code of Conduct has been translated into 14 languages.

All of our employees are required to complete our Code of Conduct learning module and to acknowledge related policies, including those pertaining to ethics and integrity and anti-bribery. 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.

Integrity Hotline


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.

Anti-Corruption & Bribery

We prohibit 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 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.



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 focus on creating a culture and business environment based on transparency, inclusion, mutual respect, responsibility, and understanding.

To support compliance with the human rights standards set forth in our Third-Party Standards of Conduct, we encourage our partners and suppliers to periodically conduct self-evaluations to ensure that they, along with their subcontractors, complying with our human rights standards.

We are preparing to train 100% of our Rental Agents on how to help combat Human Trafficking.

Labor Relations

All our employees have the right 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 disputes, such as grievances and other employee complaints, which ensure effective, open, and respectful communication between employees, their representatives, and management.

We follow all employment laws and regulations in all locations around the world. We provide equal employment opportunities without regard to 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.

Data Privacy & Information Security

We strive to ensure our customers have a stress-free experience every time they do business with us.

We have designed our customer data privacy and information security programs to comply with data privacy laws and align with best practices.

Our policy is to:

- only use or disclose personal information in compliance with applicable privacy legislation.
- minimize the use of personally identifiable information.
- regularly destroy data that is no longer needed.
- 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).

Our SVP, General Counsel, Chief Compliance Officer and Corporate Secretary and our EVP, Chief Digital and Innovation Officer handle executive oversight of our privacy and information security programs. We conduct regular enterprise-wide risk assessments and provide quarterly reports to our Board of Directors and Audit Committee on the management of cybersecurity risks. Firewalls and other technical measures, such as encryption, protect customers' sensitive personal information. We employ administrative, technical, and physical safeguards to protect their personal information from unauthorized access, modification, or disclosure.

Across our organization, we have developed robust training, 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.

Information Security Indicators



Our Information Security policies follow ISO 27001 standards and contain NIST control standards.



Our policies and procedures are audited 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 programs.



There were no material information security breaches in 2021.





Third Party Due Diligence Process

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, 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 offer 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 include:

- Avis Budget Group Franchisees and Licensees.
- suppliers, including but not limited to fuel, maintenance and repair, transportation, marketing/advertising, outsourcing, professional services, technology/telecom, remarketing, or disposal.
- intermediaries, including but not limited to brokers, consultants, event planners independent operators/dealers, sales agents, travel agents, or truck dealers.

Third Party Due Diligence is recommended under our Standard Operating Procedure in the following instances:

- when considering new business partners.
- before renewing a multi-year agreement.
- 60 months from completion of the previous due diligence.
- upon knowledge of significant contract changes, including but not limited to change in geographic scope, additional products, services or brands, etc.
- upon knowledge of significant changes to the business partner status such as change in ownership.
- upon knowledge of regulatory or criminal investigation of the business partner or its principals.



PUBLIC POLICY PARTICIPATION

We believe it's important to be transparent about our public policy participation. We work hard to ensure that our voice is heard on the issues that matter most to our customers, our employees, and our industry.

Our goal is to help facilitate informed debates and constructively contribute to the policymaking process. We want to make sure that our customers and shareholders know where we stand on important issues.

Governance & Oversight

Our SVP, General Counsel, Chief Compliance Officer, and Corporate Secretary is responsible for the review and oversight of the company's legislative affairs and public policy engagement strategy and provides regular updates to the Board, at least annually, concerning the company's strategy and support of key United States policy objectives. The briefings include information related to stakeholder relationships, elected official outreach, lobbying, political giving, and our commitment to governance compliance.

Key Issues

In 2021, our public policy efforts focused primarily on COVID-19 related matters.

We worked through trade groups on the following key issues in our industry:

- at the federal level, our initiatives focused on articulating why federal aviation funds under the American Rescue Plan Act should be used by airports toward rent/minimum annual guarantee payments, and seeking use of aviation funds allocated under the Infrastructure Investment and Jobs Act for assistance in Electric Vehicle Charging infrastructure at airports.
- at the state level, our focus is on insurance reforms, tax, and regulatory compliance.
- at the local level, our focus is on municipal regulations, including on-street parking provisions, tax policy, and transportation pilot programs.





Industry Associations

We leverage industry resources on common issues to maximize efficiency while minimizing costs. Reporting to our General Counsel, our Vice President of Government Affairs maintains the following roles in industry trade organizations:

- board member of the American Car Rental Association (ACRA), where he also chairs the Nominating, Bylaws, and Security Committees, and serves on the Legal and Legislative, and PAC Committee.
- liaison between ACRA and the U.S. Department of Homeland Security (DHS) where he also serves as 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.
- board member of the Truck Rental and Leasing Association where he also serves as a member of its Government Affairs and Security Committees.

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

In 2021, we paid the following trade association dues:

- American Car Rental Association \$30,000.
- Truck Rental and Leasing Association \$33,100.
- U.S. Chamber of Commerce \$25,000.



VEHICLE SAFETY

We are committed to keeping every one of our employees and customers safe. 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.

2021 Vehicle Safety Indicators

Global Fleet Overall Crash Rating:

70%

OF OUR **U.S. FLEET** WAS **RATED 4 & 5 STARS** BY THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION.

87%

OF OUR **E.U. FLEET** WAS **RATED 4 & 5 STARS** BY EURO NEW CAR ASSESSMENT PROGRAM.

98%

OF OUR **PACIFIC FLEET** WAS **RATED 4 & 5 STARS** BY THE ANCAP PROGRAM.

Global Fleet Affected by OEM Recalls:

16%

OF OUR **U.S. FLEET**.

>1%

OF OUR **INTERNATIONAL FLEET**.



CUSTOMER SATISFACTION

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

Avis Safety Pledge & Budget Worry-Free Promise

We continue to work with leading health organizations and brands like Lysol to establish safety processes to keep our customers and employees safe during the COVID-19 pandemic.

We created the Avis Safety Pledge and Budget Worry-Free Promise to reassure customers that their health and safety is our priority.

Customer-Led, Service-Driven

Our Customer-Led, Service-Driven program focuses on continuously improving the overall customer experience.

We understand our customers' time is valuable, so we offer rental options that provide them with greater control and self-service capabilities. Although our mobile apps are fast and easy to use, our customers know a company representative is always ready to help, if needed.

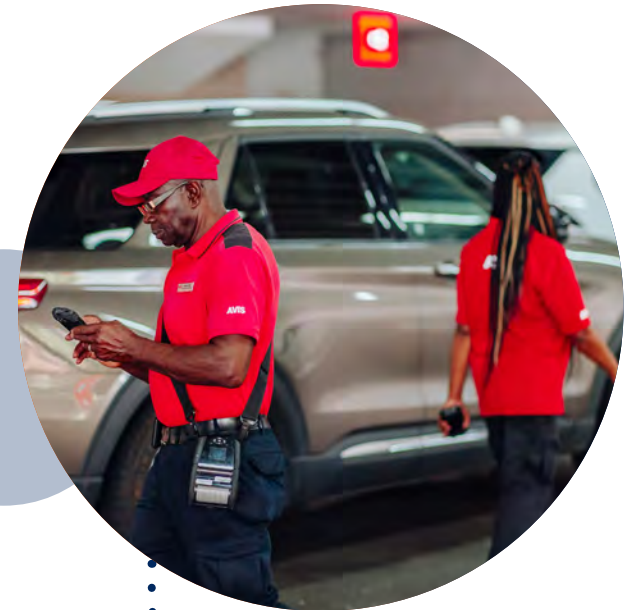
We invite customer input and feedback through surveys, and phone and online communication. We analyze all customer responses and use that data to guide future actions. We also monitor customer feedback and discussions about Avis Budget Group on social media channels and respond to both positive and negative mentions, which can provide a granular level of insight by location.

Reinventing Rental

We have embarked on a journey to reinvent the customer rental experience by making it more transparent, convenient, personalized, and seamless.

Our Avis mobile app provides customers with a convenient way to control many elements of their rental experience without the need to visit the rental counter. It allows them to track Avis shuttle buses to rental locations, find their vehicle, and locate nearby gas stations, and parking facilities. The app also enables customers to split their bill between two credit cards, commercial customers can upgrade their car, add an ancillary product, or extend their rental on their personal credit card following a business rental.

Our customers appreciate the convenience, efficiency, and safety of being able to perform so many rental tasks on their phone while bypassing lines and having a contactless rental experience.



Brand Keys has recognized the best brands who consistently meet consumers' expectations and are capable of sustaining emotionally engaging relationships.

Brand Keys names Avis Budget Group as A Customer Loyalty winner in 2021.



CONNECT WITH US

We look forward to continuing to use our strengths to deliver on our Environmental, Social, and Governance promise.

We invite you to connect and partner with us on our journey.



@AvisInnovation



Avis Budget Group



5

APPENDICES





GRI STANDARDS

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.

In the GRI Context Index, we provide references to:

- locate content in this report.
- provide direct answers to indicators.
- direct readers to external sources on our corporate website.

GRI 2: GENERAL DISCLOSURES

Indicators	Descriptions	References
The Organization and its Reporting Practices		
2-1	Organizational details	Who We Are, page 5 2021 Annual Report and 10-K Filing , page 4 ("Overview"); pages 5-13 ("Our Brands and Operations") About Our Brands
2-2	Entities included in the organization's sustainability reporting	Unless otherwise stated, this Report covers Avis Budget Group's entire operations, for which the company has operational control over for calendar year 2021.
2-3	Reporting period, frequency and contact point	Our reporting period is calendar year 2021; and we publish an ESG Report annually. Get in Touch
2-4	Restatements of information	None during the reporting period.
2-5	External assurance	2021 Scope 1, Scope 2 & Scope 3 (waste and business travel) emissions data was assured by ERM-CVS (third party data assurance firm). Assurance Statement, page 90
Activities and Workers		
2-6	Activities, value chain and other business relationships	Who We Are, page 5 Diversity, Equity, & Inclusion (DE&I), page 43 2021 Annual Report and 10-K Filing , page 4 ("Overview"); pages 5-13 ("Our Brands and Operations"); pages 16-17 ("Our Human Capital Resources and Management") 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).
2-7	Employees	Diversity, Equity, & Inclusion (DE&I), page 43 2021 Annual Report and 10-K Filing , pages 16-17 ("Our Human Capital Resources and Management")
2-8	Workers who are not employees	Diversity, Equity, & Inclusion (DE&I), page 43 2021 Annual Report and 10-K Filing , pages 16-17 ("Our Human Capital Resources and Management")



Indicators	Descriptions	References
Governance		
2-9	Governance structure and composition	Corporate Governance, page 55 Governance Documents and Committee Charters Corporate Governance Guidelines , pages 1-3 ("Composition of Board of Directors") 2022 Proxy Statement , page 10 ("Board Leadership Structure"); pages 12-14 ("Committees of the Board of Directors")
2-10	Nomination and selection of the highest governance body	Corporate Governance Guidelines , pages 1-3 ("Composition of Board of Directors") Director Independence Criteria Corporate Governance Committee Charter , pages 1-2 ("Authority and Responsibilities of Corporate Governance Committee") 2022 Proxy Statement , pages 14-15 ("Director Nomination Procedures")
2-11	Chair of the highest governance body	Board of Directors 2022 Proxy Statement , page 10 ("Board Leadership Structure")
2-12	Role of the highest governance body in overseeing the management of impacts	Oversight, page 56 2022 Proxy Statement , pages 12-14 ("Committees of the Board of Directors")
2-13	Delegation of responsibility for managing impacts	Oversight, page 56 2022 Proxy Statement , pages 12-14 ("Committees of the Board of Directors")
2-14	Role of the highest governance body in sustainability reporting	Oversight, page 56 Avis Budget Group's Board of Directors are provided the opportunity to review the Company's ESG Report.
2-15	Conflicts of interest	Code of Business Conduct and Ethics for Directors Code of Conduct 2022 Proxy Statement , pages 11-12 ("Codes of Conduct")
2-16	Communication of critical concerns	Corporate Governance, page 55 2022 Proxy Statement , page 11 ("Communicating with the Board of Directors")
2-17	Collective knowledge of highest governance body	2022 Proxy Statement , pages 7-9 ("Biographical Information for Nominees")

Indicators	Descriptions	References
2-18	Evaluation for the performance of the highest governance body	Corporate Governance Guidelines , page 5 ("Assessing Board Performance")
2-19	Remuneration policies	2022 Proxy Statement , pages 21-42 ("Executive Compensation")
2-20	Process to determine remuneration	2022 Proxy Statement , pages 21-42 ("Executive Compensation")
2-21	Annual total compensation ratio	2022 Proxy Statement , page 34 ("CEO Pay Ratio")
Strategy, Policies, and Practices		
2-22	Statement on sustainable development strategy	A Message from Our CEO, page 3
2-23	Policy commitments	Ethics and Compliance, page 57 Human Rights Policy Statement Slavery and Human Trafficking Statement Code of Conduct Third Party Standards of Conduct
2-24	Embedding policy commitments	Ethics & Compliance, page 57 Code of Conduct
2-25	Processes to remediate negative impacts	Ethics & Compliance, page 57 Health & Safety, page 47
2-26	Mechanisms for seeking advice and raising concerns	Ethics & Compliance, page 57 Code of Conduct Integrity Hotline
2-27	Compliance with laws and regulations	In 2021, Avis Budget Group had no known material instances of non-compliance with environmental laws and regulations.
2-28	Membership associations	Public Policy Participation, page 61

Indicators	Descriptions	References
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement, page 14
2-30	Collective bargaining agreements	Ethics & Compliance, page 57 2021 Annual Report and 10-K Filing , page 16 ("Our Human Capital Resources and Management") Human Rights Policy Statement

GRI 3: MATERIAL TOPICS

Indicators	Descriptions	References
GRI 3	3-1	Process to determine material topics
	3-2	List of material topics

MATERIAL TOPICS: ECONOMIC

Indicators	Descriptions	References
Economic Performance		
GRI 3	3-3	Management of material topics
		Giving Back, page 52 2021 Annual Report and 10-K Filing Investor Presentations
GRI 201	201-1	Direct economic value generated and distributed
	201-2	Financial implications and other risks and opportunities due to climate change
	201-3	Coverage of the organization's defined benefit plan obligations
		2021 Annual Report and 10-K Filing , page 4 ("Overview"); pages 36-43 ("Results of Operations") Advancing UN Sustainable Development Goals (SDGs), pages 17 TCFD Report, page 81 2022 CDP Climate Change Response 2021 Annual Report and 10-K Filing , pages F-42-F45 ("Employee Benefits Plans")

Indicators		Descriptions	References
Indirect Economic Performance			
GRI 3	3-3	Management of material topics	The Future of Transportation, page 20 Giving Back, page 52 Developing New Models
GRI 203	203-1	Infrastructure investments and services supported	The Future of Transportation, page 20 Giving Back, page 52 Developing New Models
Anti-Corruption			
GRI 3	3-3	Management of material topics	Ethics & Compliance, page 57 Code of Conduct , pages 27-30 ("We Do Not Tolerate Bribery or Corruption")
GRI 205	205-1	Operations assessed for risks related to corruption	Ethics & Compliance, page 57 Code of Conduct , pages 27-30 ("We Do Not Tolerate Bribery or Corruption")
	205-2	Communication and training on anticorruption policies and procedures	Ethics & Compliance, page 57 Code of Conduct , pages 27-30 ("We Do Not Tolerate Bribery or Corruption")

MATERIAL TOPICS: ENVIRONMENTAL

Indicators		Descriptions	References
Energy			
GRI 3	3-3	Management of material topics	Offering a Green, Smart, Safe Fleet, page 27 Innovation & Partnerships, page 31 Green Buildings, page 35 Greenhouse Gas Emissions, page 36 Environmental Policy Statement 2022 CDP Climate Change Response
GRI 302	302-1	Energy consumption within the organization	Green Buildings, page 35 Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response
Water & Effluents			
GRI 3	3-3	Management of material topics	Progress Against 2030 ESG Targets, page 18 Water, page 38 Environmental Policy Statement 2022 CDP Climate Change Response
GRI 303	303-1	Interactions with water as a shared resource	Progress Against 2030 ESG Targets, page 18 Water, page 38 Environmental Policy Statement 2022 CDP Climate Change Response
	303-3	Water withdrawal	Water, page 38 2022 CDP Climate Change Response

Indicators		Descriptions	References
Emissions			
GRI 3	3-3	Management of material topics	Progress Against 2030 ESG Targets, page 18 Offering a Green, Smart, Safe Fleet, page 27 Innovation & Partnerships, page 31 Green Buildings, page 35 Greenhouse Gas Emissions, page 36 TCFD Report, page 81 Environmental Policy Statement 2022 CDP Climate Change Response
GRI 305	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response
	305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response
	305-4	GHG emissions intensity	Progress Against 2030 ESG Targets, page 18 Greenhouse Gas Emissions, pages 36 2022 CDP Climate Change Response
Waste			
GRI 3	3-3	Management of material topics	Progress Against 2030 ESG Targets, page 18 Waste, page 40 Environmental Policy Statement
GRI 306	306-2	Management of significant waste-related impacts	Progress Against 2030 ESG Targets, page 18 Waste, page 40 Environmental Policy Statement
	306-3	Waste generated	Waste, page 40
	306-4	Waste diverted from disposal	Waste, page 40

Indicators		Descriptions	References
Supplier Environmental Assessment			
GRI 3	3-3	Management of material topics	Ethics & Compliance, page 57 Third Party Standards of Conduct
GRI 308	308-1	New suppliers that were screened using environmental criteria	Ethics & Compliance, page 57 Third Party Standards of Conduct

MATERIAL TOPICS: SOCIAL

Indicators		Descriptions	References
Employment			
GRI 3	3-3	Management of material topics	Well-Being, page 48 Employee Engagement and Development, page 51 Jobs
GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Well-Being, page 48 Jobs
	401-3	Parental leave	Well-Being, page 48
Labor/Management Relations			
GRI 3	3-3	Management of material topics	Labor Organization, page 58 Human Rights Policy Statement 2021 Annual Report and 10-K Filing , page 16 ("Our Human Capital Resources and Management")
GRI 402	402-1	Minimum notice periods regarding operational changes	Notice periods and other terms vary across agreements.

Indicators		Descriptions	References
Occupational Health & Safety			
GRI 3	3-3	Management of material topics	Health & Safety, page 47 Well-Being, page 48
GRI 403	403-1	Occupational health and safety management system	Health & Safety, page 47
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health & Safety, page 47 Well-Being, page 48 Workers are represented in joint management-worker health and safety committees in all applicable jurisdictions.
	403-6	Promotion of worker health	Health & Safety, page 47 Well-Being, page 48
	403-9	Work-related injuries	Health & Safety, page 47
Training and Education			
GRI 3	3-3	Management of material topics	Employee Engagement & Development, page 51
GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Engagement & Development, page 51

Indicators		Descriptions	References
Diversity and Equal Opportunity			
GRI 3	3-3	Management of material topics	Progress Against 2030 ESG Targets, page 18 Diversity, Equity, & Inclusion (DE&I), page 43 Employee Engagement & Development, page 51 Corporate Governance, page 55
GRI 405	405-1	Diversity of governance bodies and employees	Progress Against 2030 ESG Targets, page 18 Diversity, Equity, & Inclusion (DE&I), page 43 Corporate Governance, page 55
	405-2	Ratio of basic salary and remuneration of women to men	Global Gender Pay Equity, page 44 2021 UK Gender Pay Gap Report
Child Labor			
GRI 3	3-3	Management of material topics	Progress Against 2030 ESG Targets, page 18 Human Rights, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Third Party Standards of Conduct
GRI 408	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Third Party Standards of Conduct

Indicators		Descriptions	References
Forced or Compulsory Labor			
GRI 3	3-3	Management of material topics	Progress Against 2030 ESG Targets, page 18 Human Rights, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Third Party Standards of Conduct
GRI 409	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Third Party Standards of Conduct
Local Communities			
GRI 3	3-3	Management of material topics	Giving Back, page 52 Code of Conduct , page 69 ("We Are Good Neighbors")
GRI 413	413-1	Operations with local community engagement, impact assessments, and development programs	Giving Back, page 52
Supplier Social Assessment			
GRI 3	3-3	Management of material topics	Progress Against 2030 ESG Targets, page 18 Supplier Diversity, page 46 Human Rights, page 58 Third Party Due Diligence Process, page 60 Third Party Standards of Conduct
GRI 414	414-1	New suppliers that were screened using labor practices criteria	Human Rights, page 58 Third Party Due Diligence Process, page 60 Third Party Standards of Conduct

Indicators		Descriptions	References
Public Policy			
GRI 3	3-3	Management of material topics	Public Policy Participation, page 61 Code of Conduct , page 70 ("Political Activities"); page 71 ("Lobbying")
GRI 415	415-1	Political Contributions	Public Policy Participation, page 61
Customer Health & Safety			
GRI 3	3-3	Management of material topics	Advancing UN Sustainable Development Goals (SDGs), page 17 Health & Safety, page 47 Taking the Lead to Make Communities Safer, page 53 Vehicle Safety, page 63 Customer Satisfaction, page 64 Code of Conduct , page 38 ("Product/Service Safety and Quality")
GRI 416	416-1	Assessment of the health and safety impacts of product and service categories	Taking the Lead to Make Communities Safer, page 53 Vehicle Safety, page 63
Customer Privacy			
GRI 3	3-3	Management of material topics	Data Privacy & Information Security, page 59 Privacy Notice Code of Conduct , pages 21-22 ("We Respect the Privacy of Others")
GRI 418	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no material information security breaches in 2021.
Socioeconomic Compliance			
GRI 3	3-3	Management of material topics	Ethics & Compliance, page 57 Code of Conduct
GRI 419	419-1	Non-compliance with laws and regulations in the social and economic area	No material instances during the reporting period.



SASB DISCLOSURES

SASB Standards enable organizations to provide industry-based sustainability disclosures about risks and opportunities that affect enterprise value.

To support investors and stakeholders, Avis Budget Group has provided the following disclosures based on the SASB Standards for Car Rental & 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	In 2021, 70% of our U.S. fleet were rated 4 & 5 stars by the National Highway Traffic Safety Administration; 87% of our E.U. fleet were rated 4 & 5 stars by EURO New Car Assessment Programme; and 98% of our Pacific Fleet were rated 4 & 5 stars by the ANCAP Programme. Vehicle Safety, page 63
	Number of vehicles recalled	TR-CR-250a.2	In 2021, 16% of our U.S. fleet and less than 1% of our international fleet were affected by OEM recalls. 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. 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). 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. Vehicle Safety, page 63
Fleet Fuel Economy & Utilization	Rental day-weighted average rental fleet fuel economy, by region	TR-CR-410a.1	In 2021, the weighted average rental fleet fuel economy was 26 miles per gallon (U.S.) and 197 grams of CO2/km (international). Offering a Green, Smart, Safe Fleet, page 27
	Fleet utilization rate	TR-CR-410a.2	In 2021, 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 67% in first quarter to approximately 72% in third quarter. 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. 2021 Annual Report and 10-K Filing , page 12 ("Fleet Utilization")



Metric	Code	References
Average vehicle age	TR-CR-000.A	Our fleet consists primarily of vehicles from the current and immediately preceding model year. 2021 Annual Report and 10-K Filing , page 11 ("Our Fleet")
Total available rental days	TR-CR-000.B	In 2021, there were 365 total available rental days as we maintain continuous operations on weekends and holidays.
Average rental fleet size	TR-CR-000.C	On average, our global rental fleet totaled over 590,000 vehicles in fourth quarter 2021. We completed more than 28 million vehicle rental transactions worldwide and generated total revenues of \$9.3 billion during 2021. Our brands and transportation solutions have an extended global reach with nearly 10,400 rental locations throughout the world, including approximately 4,000 locations operated by our licensees. 2021 Annual Report and 10-K Filing , 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-tcfid.org>

GOVERNANCE: DISCLOSE THE ORGANIZATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES.

Descriptions	Responses/References
Board's oversight of climate-related risks and opportunities	<p>Avis Budget Group's Corporate Governance Committee of our Board of Directors has 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>Additional References: Oversight, page 56 Charter of the Corporate Governance Committee, page 3 2022 CDP Climate Change Response</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 ESG Steering Committee, a group of cross-functional, upper-level management provide input on ESG practices and policies.</p> <p>The monitoring of climate-related issues is also overseen by our entire executive leadership team, which receives quarterly progress reports from the ESG Steering Committee. Our Chief Human Resources Officer oversees global ESG strategy, reports to the CEO and collaborates with the ESG Team to establish and lead plan implementation.</p> <p>Additional References: Oversight, page 56 2022 CDP Climate Change Response</p>



STRATEGY: DISCLOSE THE ACTUAL AND POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANIZATION'S BUSINESSES, STRATEGY AND FINANCIAL PLANNING.

Descriptions	Responses/References		
Climate-related risks and opportunities identified over short-term, medium-term and long-term horizon	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).		
	Climate-related Risks		
	Categories/Types	Risk Descriptions	Time Horizons
	Transition/Market	Changing Consumer Behavior: 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. In addition, competition is also influenced strongly by brand reputation. Increasing attention to climate change, increasing societal expectations on companies to address climate change, and potential consumer and customer use of substitutes to our products may result in reduced demand for our products and reduced profits.	3-6 years
	Transition/Market	Uncertainty in Market Signals: 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. Likewise, any significant increases in fuel prices, a severe protracted disruption in fuel supplies or rationing of fuel could discourage our customers from renting vehicles or reduce or disrupt air travel, which could also adversely impact our results of operations.	3-6 years
	Physical/Acute	Increased severity and frequency of extreme weather events such as cyclones and floods: Increases in the frequency and severity of extreme weather events, such as hurricanes, floods, and wildfires, 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

Descriptions	Responses/References		
	Climate-related Opportunities		
	Categories	Opportunity Descriptions	Time Horizons
	Resource Efficiency	Use of more efficient modes of transport: 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 transportation in the long-term will be offered as a service and that fleet management capabilities will become extremely valuable for any sustainable transportation company. We have been actively anticipating and driving changes in transportation. Connected and autonomous vehicles are likely to become a common feature worldwide, along with an increased 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.	7-10 years
	Resilience	Participation in renewable energy programs and adoption of energy-efficiency measures: 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.	3-6 years
	Products & Services	Shift in consumer preferences: 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.	3-6 years
Additional References: Offering a Green, Smart, Safe Fleet, page 27 Innovation & Partnerships, page 31 Green Buildings, page 35 Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response			

Descriptions	Responses/References
<p>Impact on businesses, strategy and financial planning</p>	<p>Climate-related risks and opportunities have resulted in our Company developing a low-carbon transition plan.</p> <p>Business and Strategy Impact: 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; (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>Financial Planning Impact: The most significant risks identified as having a potential impact to our revenue is related to shifts in preferences from our retail 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>Additional References: 2022 CDP Climate Change Response</p>
<p>Impact of different scenarios, including a 2 °C scenario</p>	<p>We have set a provisional target to achieve a 30% absolute reduction in Scope 1 and 2 greenhouse gas 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>Additional References: Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response</p>

RISK MANAGEMENT: DISCLOSE THE ACTUAL AND POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANIZATION'S BUSINESSES, STRATEGY AND FINANCIAL PLANNING.

Descriptions	Responses/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>Additional References: 2022 CDP Climate Change Response</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>Additional References: Offering a Green, Smart, Safe Fleet, page 27 Innovation & Partnerships, page 31 Green Buildings, page 35 Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response</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. 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>Additional References: 2022 CDP Climate Change Response</p>

METRICS & TARGETS: DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES.

Descriptions	Responses/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>Additional References: Offering a Green, Smart, Safe Fleet, page 27 Innovation & Partnerships, page 31 Green Buildings, page 35 Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response</p>
Scope 1, 2 and 3 greenhouse gas emissions	<p>Avis Budget Group's 2021 Scope 1, 2 and 3 greenhouse gas emissions data in on page 37 of this Report.</p> <p>Additional References: Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response</p>
Targets used and performance against targets	<p>To assess and manage relevant climate-related risks and opportunities, we aim to reduce absolute Scope 1 and 2 greenhouse gas emissions by 30% from 2018-2030, while growing our business.</p> <p>As of year-end 2021, Avis Budget Group achieved an 11.5% reduction in our absolute Scope 1 and 2 greenhouse gas emissions since 2018.</p> <p>Additional References: Progress Against 2030 ESG Targets, page 18 Greenhouse Gas Emissions, page 36 2022 CDP Climate Change Response</p>



UNGC CoP

Avis Budget Group is committed to making the United Nations Global Compact (UNGC) and its principles part of the company's strategy, culture, and day-to-day operations. As one of the leading providers of mobility solutions worldwide, Avis Budget Group plays an important role in supporting the Sustainable Development Goals. Our corporate policies incorporate the UNGC Ten Principles, and reflect the concepts of fairness, honesty, and respect for people and the environment in our business actions.

Throughout our 2022 ESG Report, we provide information about our approach, policies, and performance to implement the UNGC Ten Principles. This index is intended to provide references to locate content in this Report and direct readers to external sources on our corporate website.

CEO Statement	References
A statement by the Chief Executive expressing continued support for the UN Global Compact and renewing the participant's ongoing commitment to the initiative	A Message from Our CEO, page 3 United Nations Global Compact (UNGC), page 16 Letter of Commitment

UNGC Principles	References
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Code of Conduct , page 44 Third Party Standards of Conduct
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Progress Against 2030 ESG Targets, page 18 Human Rights, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Code of Conduct , page 44 Third Party Standards of Conduct

Labor	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Labor Organization, page 58 Human Rights Policy Statement Code of Conduct , page 44
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	Human Rights, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Code of Conduct , page 44 Third Party Standards of Conduct
Principle 5: Businesses should uphold the effective abolition of child labor.	Human Rights, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Code of Conduct , page 44 Third Party Standards of Conduct
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Labor Organization, page 58 Human Rights Policy Statement Slavery and Human Trafficking Statement Code of Conduct , pages 15 and 44 Third Party Standards of Conduct

Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	<p>Progress Against 2030 ESG Targets, page 18</p> <p>CDP Climate Change Response</p> <p>CDP Water Security Response</p> <p>Environmental Policy</p>
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	<p>Progress Against 2030 ESG Targets, page 18</p> <p>The Future of Transportation, pages 20</p> <p>Offering a Green, Smart, Safe Fleet, pages 27</p> <p>Green Buildings, page 35</p> <p>Greenhouse Gas Emissions, page 36</p> <p>Water, page 38</p> <p>Waste, page 40</p> <p>CDP Climate Change Response</p> <p>CDP Water Security Response</p> <p>Environmental Policy</p>
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	<p>The Future of Transportation, pages 20</p> <p>Offering a Green, Smart, Safe Fleet, pages 27</p> <p>Innovation & Partnerships, page 31</p> <p>CDP Climate Change Response</p> <p>CDP Water Security Response</p> <p>Environmental Policy</p>
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<p>Ethics & Compliance, page 57</p> <p>Code of Conduct, pages 20 and 27-30</p> <p>Third Party Standards of Conduct</p>



INDEPENDENT ASSURANCE STATEMENT TO AVIS BUDGET GROUP, INC.

ERM Certification and Verification Services, Inc. ("ERM CVS") was engaged Avis Budget Group, Inc. ("ABG") to provide assurance in relation to the information set out below and presented in the 2022 CDP Climate Change Questionnaire (the "Report").

Engagement summary	
Scope of our assurance engagement	<p>Whether the 2021 information and data for the following selected indicators are fairly presented, in all material respects, with the reporting criteria:</p> <p>Environmental indicators: GHG Emissions</p> <ul style="list-style-type: none"> • Total Scope 1 GHG emissions [metric tonnes CO2e] • Total Scope 2 GHG emissions (location-based) [metric tonnes CO2e] • Total Scope 3 GHG emissions comprised of the following categories: <ul style="list-style-type: none"> - Category 5 – Waste Generated in Operations [metric tonnes CO2e] - Category 6 – Business travel [metric tonnes CO2e]
Reporting period	1st January 2021 to 31st December 2021
Reporting criteria	<ul style="list-style-type: none"> • WBCSD/WRI Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004, as updated January 2015) • SASB Car Rental Industry sector reporting requirements • Avis Budget Group's internal reporting criteria and definitions.
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	Avis Budget Group is responsible for preparing the Report and for the collection and presentation of the information within it. ERM CVS' responsibility is to provide a conclusion on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2021 data and information for the disclosures listed under 'Scope' above are not fairly presented in the Report, in all material respects, with the reporting criteria.

- **Scope 1 GHG Emissions:**
6,039,288 metric tonnes CO₂e
- **Scope 2 GHG Emissions (location-based):**
42,481 metric tonnes CO₂e
- **Total Scope 3 GHG Emissions comprised of the following categories:**
 - **Category 5 – Waste Generated in Operations:**
12,635 metric tonnes CO₂e
 - **Category 6 – Business Travel:**
218 metric tonnes CO₂e

Our assurance activities

A multi-disciplinary team of sustainability and assurance specialists performed a range of assurance procedures which varied across the disclosures covered by our assurance engagement, as follows:

- Interviews with management representatives responsible for managing the selected issues.
- Interviews with relevant staff to understand and evaluate the relevant management systems and processes (including internal review processes) used for collecting and reporting the selected disclosures.

- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- An analytical review of the year end data submitted by all locations included in the consolidated 2021 group data for the selected disclosures which included testing the completeness and mathematical accuracy of data.
- Assessing the unit conversion factors and assumptions used.

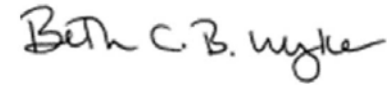
The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Due to COVID-19 travel restrictions, we planned our assurance engagement to include virtual headquarters visits. While we believe this approach does not affect our limited assurance conclusion above, we draw attention to the possibility that if we had undertaken in-person visits we may have identified errors and omissions in the assured information that we did not discover through the alternative assurance program.

Our independence

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to ABG in any respect.



Beth Wyke

Head of Corporate Assurance Services, Malvern, PA

26 July 2022

ERM Certification and Verification Services, Inc.

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