Avis Budget Group - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Avis Budget Group, Inc. (“ABG”) is a leading global provider of mobility solutions through our three most recognized brands, Avis, Budget, and Zipcar, together with several other brands, well recognized in their respective markets. Our brands offer a range of options, from car and truck rental to car

sharing. We and our licensees operate our brands in approximately 180 countries throughout the world. We generally maintain a leading

share of airport car rental revenues in North America, Europe and Australasia, and we operate a leading car sharing network, as well as one

of the leading commercial truck rental businesses in the United States.

On average, our global rental fleet totalled approximately 533,000 vehicles in 2020 and we completed more than 22 million vehicle rental transactions worldwide. As of December 31, 2020, we employed approximately 20,000 people worldwide, of whom approximately 5,000 were employed on a parttime basis. Of our approximately 20,000 employees, approximately 8,300 were employed in our international segment.

In 2020, we generated approximately 50% of our revenues from on-airport locations. We license the use of the Avis, Budget, Zipcar and other brands’ trademarks to licensees in areas in which we do not operate directly. Our brands and mobility solutions have an extended global reach with more than 10,600 rental locations throughout the world, including approximately 4,100 locations operated by our licensees. We believe that Avis, Budget and Zipcar enjoy complementary demand patterns with mid-week commercial demand balanced by weekend leisure demand.

We also operate the Payless and Apex brands, which operate in the value segment of the car rental industry, augmenting our Avis, Budget and Zipcar brands. In addition, our Maggiore and Morini Rent brands in Italy, FranceCars brand in France and Turiscar brand in Portugal further extend the range of vehicle use occasions we are able to serve.

NOTE REGARDING COVID-19: The COVID-19 outbreak and resulting economic conditions, which had, and is expected to continue to have, a significant impact on our operations, including an unprecedented decline in demand, as well as its current, and uncertain future impact, including but not

limited to, its effect on the ability or desire of people to travel due to travel restrictions, and other restrictions and orders, which is expected to continue to impact our results, operations, outlooks, plans, goals, growth, cash flows, liquidity, and stock price. Our 2020 energy and emissions metrics reflect the impact of COVIID-19 on our business, including the reduction of our vehicle rental fleet to right-size our business in response to the COVID-19 pandemic.

FORWARD LOOKING STATEMENTS: Certain statements contained in this CDP 2021 Climate Change disclosure may be considered “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained herein are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by any such forward-looking statements. Forward-looking statements include information concerning our future financial performance, business strategy, projected plans and objectives. These statements may be identified by the fact that they do not relate to historical or current facts and may use words such as “believes,” “expects,” “anticipates,” “will,” “should,” “could,” “may,” “would,” “intends,” “projects,” “estimates,” “plans,” and similar words, expressions or phrases. The following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 outbreak, the continued restrictions that have been placed on travel in many countries as a result of the outbreak and the adverse impact on the global economy from the outbreak.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Argentina
Australia
Austria
Belgium
Canada
Denmark
France
Germany
Italy
Luxembourg
Netherlands
New Zealand
Norway
Poland
Portugal
Puerto Rico
Singapore
Spain
Sweden
Switzerland
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The highest level of responsibility within Avis Budget Group Corporation for the management of climate-related issues is held by the Corporate Governance Committee of our Board of Directors. The Corporate Governance Committee's responsibilities include (1) reviewing and discussing emerging best practices, trends and key issues related to ESG matters and (2) overseeing the Company's strategy and governance of ESG matters and to advise the Board on such matters. The Corporate Governance Committee also oversees the Company's risks and disclosure related to ESG and annual ESG reporting, which includes climate-related risks. In addition, the Corporate Governance Committee conducts periodic reviews of the Company's programs, policies and procedures in the area of ESG. This includes, among other things, directing senior management to report to the Corporate Governance Committee, on a periodic basis, assessments and progress against both longer- and shorter-term key objectives, metrics and program enhancements set by senior management and reviewed by the Committee. Further oversight on climate-related issues is provided by our Audit Committee, which is tasked with oversight for (1) our major financial risk exposures (including energy costs and business trends associated with the transition to a low-carbon economy) and (2) the steps management has undertaken to control these risks.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Monitoring implementation and performance of objectives	<Not Applicable>	The Corporate Governance Committee of our Board of Directors is tasked with oversight of specific risks including climate change and material ESG issues. Our Corporate Social Responsibility team provides updates to our entire Board on our progress against annual milestones and key objectives. The Corporate Governance Committee conducts periodic reviews of the Company's programs, policies and procedures in the area of ESG. This includes, among other things, directing senior management to report to the Corporate Governance Committee, on a periodic basis, assessments and progress against both longer- and shorter-term key objectives, metrics and program enhancements set by senior management and reviewed by the Committee. Additionally, the Audit Committee oversees risks related to energy costs and business trends associated with the transition to a low-carbon economy. Our full Board of Directors receives reports from our Committees (including our Audit and Corporate Governance Committees) at every regular Board meeting, and receives regular reports from members of senior management that include discussion of the risks and exposures involved in their respective areas of responsibility. Such reports are provided in connection with and discussed at Board meetings. For example, topics covered in these reports may include energy costs, business continuity and strategic initiatives (including sustainable mobility) to support with the transition to a low-carbon economy.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Human Resources Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Senior Vice President, General Counsel and Corporate Secretary)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

ORGANIZATIONAL STRUCTURE: Climate-related issues are monitored by Avis Budget Group's Environmental, Social and Governance (ESG) Team, which is led by our Vice President of Global Organizational Development and is supported by our Sustainability Manager. The Vice President of Global Organizational Development reports to our Chief Human Resources Officer, who reports to our Chief Executive Officer. Additionally, our Corporate Social Responsibility Team works closely with Senior Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary. She also reports to our Chief Executive Officer.

Additionally, numerous departments also actively monitor specific climate-related risks and opportunities. For example, our Procurement and Treasury departments are tasked with hedging our exposure to risks associated with increases in the price of fuel. We also have a dedicated Chief Innovation Officer who oversees partnerships and opportunities for advance our sustainable mobility projects.

ASSOCIATED RESPONSIBILITIES: Avis Budget Group's ESG Team is responsible for (1) engaging our Board of Directors, leadership team and relevant departments within our Company to advance our environmental initiatives and the management of substantive climate-related risks and opportunities; (2) executing on our global, company-wide Environmental Policy and (3) assessing the sustainability-related needs and expectations of our investors, corporate customers, retail customers, employees, and communities.

MONITORING OF CLIMATE-RELATED ISSUES: Examples of current processes whereby our ESG Team monitors climate-related issues include the following: (1) reviewing emerging topics of greatest interest to our stakeholders (as evidenced by investor ratings and corporate customer requests for information), (2) measuring and tracking our global operational environmental footprint; and (3) continuing to enhance the efficacy of our business continuity processes.

MANAGEMENT'S ROLE: The monitoring of climate-related issues is supported by oversight from our entire executive leadership team, which receives strategic updates from our Team. Our Chief Human Resources Officer also serves as the executive sponsor of Avis Budget Group's overarching corporate social responsibility platform. Additionally, our General Counsel is responsible for guiding our Company's ESG strategy, including progress against our goals and targets.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Progress toward Avis Budget Group's climate and broader corporate ESG strategy is directly linked to compensation for our Chief Human Resources Officer, Senior Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary, Vice President of Global Organizational Development and Sustainability Manager. Progress toward Avis Budget Group's climate strategy – notably our focus on advancing the future of sustainable mobility solutions – is indirectly linked and highly correlated to compensation for our company's named executive officers, including our Chief Executive Officer. Variable compensation is based on key financial metrics, including EBITDA and free cash flow and individual performance goals.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Other (please specify) (Strategy, execution and communication of environmental and overarching corporate social responsibility initiatives)	Progress toward Avis Budget Group's climate strategy – notably our focus on advancing the future of sustainable mobility solutions – is indirectly linked and highly correlated to compensation for our company's named executive officers, including our Chief Executive Officer. A redesigned annual incentive program containing a more heavily weighted individual performance component, to be based on key metrics and measurable targets utilizing a "scorecard" approach, subject to the Company's attainment of financial performance goals.
Other C-Suite Officer	Monetary reward	Company performance against a climate-related sustainability index Other (please specify) (Strategy, execution and communication of environmental and overarching corporate social responsibility initiatives)	Part of the annual objectives for our Chief Human Resources Officer is to oversee and advance our strategy and communication of ABG's environmental initiatives and overarching corporate ESG platform. In 2021, we launched a re-designed incentive program, which includes utilizing a 'scorecard' approach with key ESG-related metrics with measurable targets. These key metrics include increasing the transparency and quality of ESG disclosures.
Other, please specify	Monetary reward	Company performance against a climate-related sustainability index Other (please specify) (Strategy, execution and communication of environmental and overarching corporate social responsibility initiatives)	Part of the annual objectives for our Senior Vice President, General Counsel and Corporate Secretary is to oversee and advance our strategy and communication of ABG's environmental initiatives and overarching corporate ESG platform. In 2021, we launched a re-designed incentive program, which includes utilizing a 'scorecard' approach with key ESG-related metrics with measurable targets. These key metrics include increasing the transparency and quality of ESG disclosures.
Other, please specify (Vice President, Global Organizational Development)	Monetary reward	Company performance against a climate-related sustainability index Other (please specify) (Strategy, execution and communication of environmental and overarching corporate social responsibility initiatives)	Part of the annual objectives for our Vice President of Global Organizational Development is to oversee and advance our strategy and communication of our Company's environmental initiatives and overarching corporate ESG platform.
Environment/Sustainability manager	Monetary reward	Company performance against a climate-related sustainability index Other (please specify) (Strategy, execution and communication of environmental and overarching corporate social responsibility initiatives)	Avis Budget Group also has a dedicated Sustainability Manager whose exclusive responsibility is to advance and execute our strategy, programs and communications on climate-related issues. In 2019 and 2020, the development and tracking our progress toward Avis Budget Group's emission reduction target was one of his primary annual performance goals

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	2	We consider the 1-2 year time horizon when defining short-term objectives and monitoring near-term climate-related risks and opportunities.
Medium-term	3	6	We consider the 3-6 year time horizon when defining medium-term objectives. We also consider the 3-6 year time horizon when evaluating associated climate-related risks and opportunities from a medium-term time horizon.
Long-term	7	10	We consider the 7-10 year time horizon when defining long-term objectives (including our sustainable mobility strategies). We also consider the 7-10 year time horizon when evaluating associated climate-related risks and opportunities (notably those related to physical climate risks and broader socioeconomic impacts) from a long-term time horizon.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

DETERMINATION OF SIZE AND SCOPE OF RISKS: We consider all markets where our brands (including affiliate-managed operations) have a presence . We also consider global environmental and socioeconomic trends, which may impact the value of our assets in addition to revenue and costs in our key markets, including those in the Americas (North America, South America, Central America and the Caribbean) where we generated over 70% of our annual revenues in 2020.

QUALITATIVE THRESHOLDS: We define risk as having a substantial financial and strategic impact using both qualitative and quantitative measures. Qualitative measures consider correlations to our business model, mission and value chain. Quantitatively, we generally consider a risk to be substantive based on a scenario where at least 1% of our operating costs could be impacted. In our CDP 2021 Climate Change response, this threshold was approximately $47 million. Please note that this threshold is based on our 2019 operating costs, which we consider to be a more credible benchmark as it represents our pre-COVID-19 levels of business activity.

QUALITATIVE FACTORS: The criteria used to determine our priorities with regards to climate change risks and opportunities is based on the degree of potential market, physical, regulatory and/or business model impacts to Avis Budget Group. We also consider our value chain impacts, industry trends and level of stakeholder interest among our employees, investors, customers, and affiliates.

For example, increasing fleet fuel efficiency and having a fully connected fleet has been prioritized due to (1) cost savings and risk mitigation opportunities, (2) importance to our stakeholders and (3) alignment with our Company's commitment to innovation and moving the future of mobility forward. Our goal is to leverage innovation and build on our position as a leading global provider of mobility solutions for consumers, businesses and cities.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
PROCESSES AT COMPANY LEVEL: At the company level, our Corporate Social Responsibility team maintains daily strategic oversight to identify and manage risks related to climate change that may impact our Company's reputation, profitability and access to capital. Key methods include (1) engagement with subject matter experts within our organization, (2) engagement with consultants and industry experts, and (3) reviewing sustainability-related questionnaires and assessment criteria from the investor community and our corporate purchasers. PROCESSES AT ASSET LEVEL: Our processes at the asset level are both location-based and vehicle-based. 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. 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. CASE STUDY/EXAMPLE OF HOW PROCESS IS APPLIED: Situation: In our updated ESG materiality assessment, we identified greenhouse gas emissions was identified as "very high" priority by our stakeholders. Additionally, our corporate customers continuously evaluate opportunities to partner with companies that support their ESG and climate-related goals. Task: To meet the needs of our stakeholders, and ensure we are addressing high priority topic areas, Avis Budget Group needed to establish processes to support reducing greenhouse gas emissions associated with our rental fleet. Action: Through carbon-offset credits, we support corporate customers to make their car rental programs 100% carbon neutral. Carbon offset credits are created through projects that remove or reduce greenhouse gas emissions in various ways, such as renewable energy generation, energy efficiency, and reforestation programs. We also calculate greenhouse gas emissions for our corporate customers with the ability to drill down for specific locations, countries or globally, over any particular time period. Result: We are able to support our corporate customers' climate goals related to their Scope 3 emissions from business travel, which has a direct correlation to maintaining and increasing our Company's revenues. For example, in 2020, commercial customers represented approximately 48% of revenues within our Avis brand, for which we generate the majority of our revenues.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	We consider potential risks and opportunities associated with current regulations. Examples of the type of risks considered include regulations pertaining to fuel efficiency and emissions standards for vehicles. At the current time, potential risks associated with current regulations have not identified as substantive to our Company. These types of regulations would apply to our car manufacturers, and not directly to our Company. Although these regulations may not directly apply to our Company, we aim to ensure our fleet is compliant. For example, across Europe, our fleet complies 100% with the current Euro 6 emission standards (Euro 6, Euro 6c and Euro 6d-TEMP).
Emerging regulation	Relevant, always included	We consider potential risks and opportunities associated with emerging regulations. For example, should rules establishing limitations on greenhouse gas or other emissions or rules imposing fees on entities deemed to be responsible for greenhouse gas emissions, or rules establishing bans on diesel or fuel vehicles from entering certain locations become effective in the countries in which we operate, demand for our services could be affected, our fleet and/or other costs could increase, and our business could be adversely impacted. We also view emerging regulations associated with renewable energy and the transition to connected, electric vehicles to be an opportunity across our brands. These types of regulations can support our vision for mobility as a service that is completely connected, integrated, and on-demand for our customers and other businesses.
Technology	Relevant, always included	We consider potential technology risks and opportunities in the context of industry trends that might impact the future of mobility and the travel and tourism industry. We view technological shifts associated with the transition to a low-carbon economy as an opportunity for our Company to leverage emerging innovations to reduce our value chain emissions and further integrate sustainable mobility into our business model. For example, connected and autonomous vehicles are likely to become a common feature worldwide, along with the increased use of electric and shared vehicles. This is an opportunity for our company to build on our core experience, data intelligence and technology to develop entirely new lines of business and extend our offering and capabilities for our customers, businesses and cities.
Legal	Relevant, always included	With support from our Legal department, our Corporate Social Responsibility team monitors relevant legal risks include those which may be associated with our management of climate change and/or broader ESG topics. Examples of potential climate-related legal risks could include potential liabilities associated with our disclosures on emissions reduction strategies and performance. We do not believe that climate-related legal risks are currently substantive to our business.
Market	Relevant, always included	Our Corporate Social Responsibility team actively monitors market risks associated with climate change. Examples of potential climate-related market risks that are relevant to our Company include (1) changing customer behavior (due to increased interest in sustainability from our corporate and retail customers), (2) uncertainty in market signals (due to the broader potential socioeconomic impacts associated with climate change), and (3) variability in the price of raw materials (most notably potential correlations between fuel and commodity costs). With regards to changing customer preferences, we view this trend as more of an opportunity than a risk for our Company, as we remain committed to offering the greenest, smartest and safest fleet in our industry.
Reputation	Relevant, always included	Our Corporate Social Responsibility team actively monitors reputation risks associated with climate change. Examples of potential climate-related reputation risks that are relevant to our Company include those associated with increased investor and lender interest in and consideration of ESG performance to inform decision making.
Acute physical	Relevant, always included	Acute physical risks are identified and assessed across our Company with leadership driven by Business Continuity and Enterprise Risk Management teams. Examples of acute physical risks that are relevant to our Company include hurricanes and wildfires.
Chronic physical	Relevant, always included	Chronic physical risks are identified and assessed across our Company with leadership driven by Business Continuity and Enterprise Risk Management teams. Examples of chronic physical risks that are potentially relevant to our Company include rising sea levels, rising mean temperatures, changes in precipitation patterns (including droughts) and extreme variability in weather patterns (including cancellations associated with severe storms, snow and ice). We consider chronic physical risks in the context of revenue implications as demand for travel and tourism can be influenced by weather patterns in key markets.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The competitive environment for our industry is generally characterized by intense price and service competition among global, local, and regional competitors. Competition in our vehicle rental operations is based primarily upon price, customer service quality, including usability of booking systems and ease of rental and return, vehicle availability, reliability, rental locations, product innovation and national or international distribution. In addition, competition is also influenced strongly by brand reputation. We believe that the vehicle industry will continue to experience significant change in the coming years, in particular as it relates to vehicle electrification. We continue to face pressure to ensure our fleet has both electric and hybrid vehicles both from consumer demand, and from our purchase agreements with various vehicle manufacturers. The high level of competition in the mobility industry, including from new companies or technology may also impact pricing and rental volume Increasingly, sustainability is becoming an important factor that drives brand reputation (particularly among our millennial and Gen Z retail customers). At Avis Budget Group, our corporate customers are also increasingly interested in sustainability and reducing their Scope 3 emissions associated with the use of products and services for business travel. 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 mobility and join global efforts to reduce energy consumption and greenhouse gas emissions from transport. Additionally, in 2020, commercial customers represented approximately 40% of revenues within our Company Our performance with regards to climate change mitigation is also frequently used by ESG research firms to generate ratings, rankings and awards that may influence stakeholders' assessments and decision making regarding our Company. Another key trend is increasing lender interest in climate change, which could influence our cost of capital.

Time horizon

Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
91720000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Estimated financial impact assumes the potential for an approximate 1% decrease in 2019 revenue associated with changing customer behavior and increased interest in low-carbon products and services. We consider our 2019 operating costs to be a more credible benchmark, as it represents our pre-COVID-19 levels of business activity.

Cost of response to risk
10000000

Description of response and explanation of cost calculation
In North America, our rental car brands provide customers a variety of fuel efficient options including (1) hybrids and (2) standard vehicles rated "green" by the U.S. Environmental Protection Agency (EPA) at virtually all of our locations. Our 2021 hybrid fleet was one of the largest fleets in our industry with 16,500 vehicles globally. In Sweden and Norway, 25% or our fleet is hybrid and electric, making it the largest fuel-efficient rental option in the region. In 2020, in the United States, 37% of our fleet have received EPA SmartWay or SmartWay Elite Certification under the EPA's new and stricter criteria, indicating that they are considered better environmental performers compared with other vehicles. This represents a 7% increase compared to 2019. Across Europe, Avis offers the "Eco collection," which guarantees customers a fuel-efficient, low-emission diesel model every time they rent a car. Avis in Sweden introduced Avis Go Green as a commitment to offer eco-friendly vehicles and increase charging stations availability at rental locations. The program offers plug-in hybrid and electric vehicles at virtually all locations in the country. For Avis Budget Group's corporate customers, we partner to calculate and reduce their Scope 3 emissions from business travel. Our emissions calculator is used to determine a benchmark and track emissions reductions over time. We provide corporate customers with the opportunity to make their car rental program 100% carbon neutral through the creation of carbon offset credits, which are generated from renewable energy and reforestation programs. To deliver on our carbon offset programs, we partner with NextEra Energy Resources. Other solutions that we offer to help customers reduce the environmental impact from their car rentals including driver education and efficient route planning to reduce emissions associated with vehicle idling. COST CALCULATION: We estimate annual expenditures in excess of $10 million associated with investments and management time to support our fleet management, innovation initiatives and partnership activities that help to manage this risk.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Market	Uncertainty in market signals

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
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. For example, approximately 54% of our revenues from our Avis brand is generated from our airport locations. Also, pricing in the vehicle rental industry is impacted by the size of rental fleets and the supply of vehicles available for rent, which could be impacted by wider social disadvantages and uncertainty in market signals associated with climate change. Additionally, our truck rental business can be impacted by the housing market. If conditions in the housing market were to weaken due to physical risks associated with climate change, we could see a reduction in truck rental transactions, which could have a resulting adverse impact on our revenues and operating costs. With a fleet comprised of approximately 20,000 vehicles, Our Budget Truck rental business is one of the largest local and one-way truck rental businesses in the United States.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
46980000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure
Estimated financial impact assumes the potential for an approximate 1% increase in 2019 operating expenses associated with variability in fuel and/or energy costs. We consider our 2019 operating costs to be a more credible benchmark, as it represents our pre-COVID-19 levels of business activity

Cost of response to risk
10000000

Description of response and explanation of cost calculation
Diversification of revenue across markets helps to mitigate risks associated with individual markets, including those located in coastal locations and small island states. For example, our Company and our licensees operate the Avis and Budget brands in approximately 180 countries throughout the world. As part of this diversification strategy, we are expanding car sharing solutions through our Zipcar brand and electric vehicle. In 2020, we expanded our partnership with Uber to add thousands of vehicles to their drive programs in cities across North America. We also utilize derivative instruments as part of our overall strategy to manage exposure to market risks associated with fluctuations in gasoline costs. Additionally, we maintain a steadfast focus on managing and improving our fleet decisions to better optimize and drive the purchase, deployment, and disposition of our fleet. These measures help: (1) lower costs and meet customer demand; (2) grow our direct-to-dealer and consumer sales performance; (3) reduce maintenance and repair expenses; (4) better optimize our salvage costs; (5) reduce the risk of damage to our vehicles, and (6) improve fleet utilization benefits and savings by combining our vehicle rental and car sharing fleets when appropriate. Collectively, these measures enhance our ability to mitigate our exposure to fleet-wide risks associated with uncertainty in market signals. We are also proactively focused on transforming and future-proofing our business model by leveraging our global reach and data intelligence capabilities to position Avis Budget Group as a leading provider of mobility options and support our ability to develop entirely new lines of business. Real-time anonymized data collected from our thousands of vehicles and millions of trips can provide urban developers deeper insight for congestion management, traffic flow optimization and route optimization, transportation system planning, emissions management, and parking. We also partnered with Kansas City to provide customers easy access to parking and traffic information through the Avis app, and we believe we are well positioned to collaborate with other municipalities around the globe as they move forward with their “smart city” initiatives. COST CALCULATION: We estimate annual expenditures in excess of $10 million associated with investments and management time to support our fleet management, innovation initiatives and partnership activities that help to manage this risk.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
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. For example, we rely heavily on the satisfactory performance and availability of our information systems, including our reservation systems, websites and network infrastructure to attract and retain customers, accept reservations, process rental and sales transactions, manage our fleet of vehicles, account for our activities and otherwise conduct our business. A failure or interruption that results in the unavailability of any of our information systems, or a major disruption of communications between a system and the locations it serves, could cause a loss of reservations, interfere with our fleet management, slow rental and sales processes, create negative publicity that damages our reputation or otherwise adversely impacts our ability to manage our business effectively. For example, following Hurricanes Harvey, Irma and Maria, we experienced an impact of approximately $15 million in quarterly adjusted EBITDA associated with lost revenue; lower utilization due to airport closures; incremental shuttling costs that we incurred to move vehicles to the impacted area; and property damage. On an annual basis, we typically incur 5-20 extreme weather events that require us to execute upon our business continuity plans. Over the past decade, extreme weather events have increased in both their severity and their reach. Historically, hurricanes were typically localized events, however, these extreme weather events are becoming more regional. For example, in 2020, Hurricane Hanna had impacts across our locations in the southern U.S. including Texas, Florida, and Louisiana and Mexico. Our business continuity plans and insurance programs seek to mitigate risks associated with extreme weather events but they cannot fully eliminate all risks.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
46980000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Estimated financial impact assumes the potential for an approximate 1% increase in 2019 operating expenses associated with variability in fuel and/or energy costs. We consider our 2019 operating costs to be a more credible benchmark, as it represents our pre-COVID-19 levels of business activity.

Cost of response to risk
10000000

Description of response and explanation of cost calculation
Over the past 75 years, we have developed strong competencies in how we are able to respond when extreme weather events, including hurricanes, floods, and wildfires, occur. Avis Budget Group's business continuity processes are central to how we execute. Our number #1 focus is on protecting our people, property, and infrastructure; and we utilize an "all hands-on deck" approach to ensure that we can respond as rapidly and effectively as possible. For example, we are able to quickly respond through our crisis management team to mitigate risks and impacts that may disrupt our operations. We have also developed longstanding partnerships with leading national disaster agencies, which strengthen our ability to provide support to affected customers, employees and communities. Consistent with our "all hands on deck" approach, our teams across the globe provides vehicles, volunteer time and even blood donations to help communities recover from hurricanes, floods, wildfires and other disasters throughout the year. Additionally, we manage risks to our fleet by self-insuring vehicles against property damage. The insurance policies supplement those that our customers also have in place for rented vehicles. COST CALCULATION: Annually, we typically incur expenditures in excess of $10 million associated with our insurance programs, business continuity processes and disaster response and relief efforts.

Comment
In 2020, we were able to leverage the processes that we have developed to support our response to the COVID-19 pandemic in local communities.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient modes of transport

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
At Avis Budget Group, the opportunity for our customers to choose from a wide variety of vehicles, including hybrids, electric or fuel-efficient vehicles at virtually all of our locations are part of a significant revenue generation opportunity across our brands and the markets we operate. We envision a world where personal mobility will be completely connected, integrated and on-demand. As part of this vision, we see tremendous opportunity to reduce emissions and traffic congestion and be part of the expected shift toward electric vehicles worldwide. We believe mobility in the long-term will be offered as a service and that fleet management capabilities will become extremely valuable for any sustainable mobility company. Our goal is to leverage innovation and build on our position as a leading global provider of mobility solutions for consumers, businesses and cities. That is why we are building on our core experience, data intelligence & technology to extend our offering and capabilities today. Having a fully connected fleet will also allow us to streamline operations and reduce costs, including more sophisticated tracking of idle vehicles and employing more dynamic fleet planning. Critical data including mileage, fuel level, and vehicle condition can also be shared real-time, resulting in a more efficient workforce, better maintained vehicles, and an overall better customer experience. With a fleet of over 530,000 vehicles and more than 70 years of experience in managing global fleets, we believe that we are well positioned to take advantage of the development of new mobility models as we leverage our fleet management capabilities to provide fleet management services to the public sector, as well as other companies. We have been actively anticipating and driving changes in mobility. Connected and autonomous vehicles are likely to become a common feature worldwide, along with an increase use of electric and shared vehicles, which is why we're 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. We also continue provide customers with the option of 100% carbon neutral car rental programs whereby carbon offset credits are generated from renewable energy and reforestation programs.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
91720000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Estimated financial impact assumes the potential for an approximate 1% increase in 2019 revenue due to our partnerships and innovations to support our strategy to transition to more efficient modes of transport. We consider our 2019 revenues to be a more credible benchmark, as it represents our pre-COVID-19 levels of business activity.

Cost to realize opportunity

10000000

Strategy to realize opportunity and explanation of cost calculation

With over 200,000 connected cars, we are committed to having a fully connected fleet. Today, Avis Budget Group now operates the world's leading car-sharing network through our Zipcar brand. More than 1 million Zipcar members currently share approximately 14,000 cars worldwide. In addition to taking thousands of cars off the road and reducing congestion, car sharing members report notable reductions in their own driving behavior after joining. Zipcar launched a new electric van sharing service for businesses in Brixton, London in an attempt to tackle the area's high pollution levels. It also encourages local businesses to scrap older, high pollutant vans; reduce the number of vans on the roads generally, helping to reduce congestion and pollution levels; and ultimately ensure businesses can continue to operate the ultra-low emission zone. Our 2021 hybrid fleet was one of the largest fleets in our industry with 16,500 vehicles globally. In Sweden and Norway, 25% or our fleet is hybrid and electric, making it the largest fuel-efficient rental option in the region. We also continue to offer our Zipcar Flex product in London providing for one-way rentals, including to and from Heathrow Airport. We have more than 300 electric vehicles in our London fleet, available as part of the Zipcar Flex option. Avis in Sweden introduced Avis Go Green as a commitment to offer eco-friendly vehicles and increase charging stations at rental locations. We recognize that mobility services are undergoing massive shifts which provide both risks and opportunities to our business, and are focused on reinventing rental, digitizing our business and exploring new business models, including partnering with innovators in the broader mobility landscape. For example, we have entered into partnerships with Waymo, Uber and Via to leverage our fleet and data capabilities to advance ride sharing. We have also partnered with Kansas City to provide customers easy access to parking and traffic information through the Avis app, demonstrating our ability to collaborate with their smart city initiatives to reduce congestion. COST CALCULATION: We estimate annual expenditures in excess of $10 million associated with investments and management time to support our fleet management, innovation initiatives, and partnership activities that help to capitalize on this opportunity.

Comment

We estimate annual expenditures in excess of $10 million associated with investments and management time to support our fleet management, innovation initiatives and partnership activities that help to capitalize on this opportunity.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

Following the Paris climate agreement and in response to increased corporate demand for renewable energy procurement, the regulatory landscape for renewable energy incentives globally is expected to shift over the next decade. The further development and enactment of renewable energy regulations at the national, state, and local levels may create new investment opportunities among our corporate facilities and 10,600 rental locations (including 4,100 licensee operated) across 180 countries. Additionally, we have the opportunity to capitalize on rebates from utilities and governments in support of our energy efficiency measures and continue to incorporate process improvements to increase the energy within our buildings and our fleet of approximately 533,000 vehicles. Investing in onsite renewable energy may also increase the resilience of owned and operated locations and help increase the value of our Company and protect our cash flow from physical climate-related risks within the approximately 180 countries where our Company and our licensees operate.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

46980000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Estimated financial impact assumes the potential for an approximate 1% increase in 2019 operating costs due to decreased requirements for fuel and/or energy spend, and increased resilience against potential business disruptions. We consider our 2019 operating costs to be a more credible benchmark, as it represents our pre-COVID-19 levels of business activity.

Cost to realize opportunity

10000000

Strategy to realize opportunity and explanation of cost calculation

While the majority of our carbon footprint is derived from customer's use of fuel, we actively work to incorporate best practices to increase energy efficiency at our locations of operation. For example, our corporate headquarters in Parsippany, N.J. has received the U.S. EPA's ENERGY STAR® recognition for superior energy performance in a single building. Our Business Support Center in Budapest has become the first office building in Hungary to be recognized with LEED® Platinum certification. Additionally, our maintenance facilities at major locations in the Northeast United States are heated by clean-burning furnaces that we are built to run on used motor oil, which eliminates the need to consume external energy for heating. These facilities have also been equipped with high-speed doors to minimize warm air leakage and enhance the efficiency of the clean-burning furnaces. Across the U.S., we also migrated major airport locations into Consolidated Car Rental Facilities (ConRAC) where tenant improvements were required to align with Airport and local code requirements to facilitate energy status ratings. Currently, we occupy 16 locations that hold LEED certifications. In addition to offering "green" vehicles and providing 100% carbon neutral options for consumers, we expect to further increase fleet fuel efficiency through an optimization system aimed at improving the efficiency of our inner-city networks by minimizing mileage driven by our shuttlers and ensuring that we have the right mix of vehicles on hand to fulfill daily reservations. In North America, Company's Performance Excellence team has completed a process improvement project, which resulted in a significantly reduction in miles driven and associated vehicle emissions. All rental locations and facilities in Spain and Scandinavia also renewed their ISO 14001 certification, which emphasize continuous improvement to improve environmental performance. Through this process, we assess each location across more than 100 different potential environmental impacts, from how we dispose of tires and motor oil to our purchasing initiatives to introduce more fuel efficient vehicles. COST CALCULATION: We estimate annual expenditures in excess of $10 million associated with investments and management time to support our fleet management, innovation initiatives and partnership activities that help to capitalize on this opportunity.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Avis Budget Group's retail and corporate customers are practices that promote sustainability. Transportation is identified as the fastest-growing source of global greenhouse gas emissions, and vehicles are believed to account for at least 15% of those emissions. In addition, vehicles are the greatest source of air pollution in inner cities. As our corporate and leisure customers are becoming increasingly aware and concerned about pollution and congestion caused by vehicles, we aim to lead the way in sustainable mobility and join global efforts to reduce energy consumption and greenhouse gas emissions from transport. Additionally, connected and autonomous vehicles are likely to become a common feature worldwide, along with the increased use of electric and shared vehicles. This is an opportunity for our company to build on our core experience, data intelligence and technology to develop entirely new lines of business and extend our offering and capabilities for our customers, businesses, and cities. Our corporate customers are also increasingly interested in sustainability and reducing their Scope 3 emissions associated with the use of products and services for business travel. We also 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.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
91720000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Estimated financial impact assumes the potential for an approximate 1% increase in 2019 revenue associated with changing customer behavior and increased interest in low-carbon products and services. We consider our 2019 operating costs to be a more credible benchmark, as it represents our pre-COVID-19 levels of business activity.

Cost to realize opportunity
10000000

Strategy to realize opportunity and explanation of cost calculation
In recognition to this opportunity, we continue to execute on our strategy to play a leading role in the transition to a sustainable, low-carbon economy. For example, in North America, our rental car brands provide customers a variety of fuel-efficient options including (1) hybrids and (2) standard vehicles rated "green" by the U.S. Environmental Protection Agency at virtually all of our locations. Additionally, our 2021 hybrid fleet was one of the largest fleets in our industry with 16,500 vehicles globally. In addition to offering our customers hybrid, electric, and fuel-efficient vehicle options, we also aim to ensure our customers have access to charging stations. Avis in Sweden introduced Avis Go Green as a commitment to offer eco-friendly vehicles and increase charging stations availability at rental locations. The program offers plug-in hybrid and electric vehicles at virtually all locations in the country. Through carbon-offset credits, we support corporate customers to make their car rental programs 100% carbon neutral. Carbon offset credits are created through projects that remove or reduce greenhouse gas emissions in various ways, such as renewable energy generation, energy efficiency, and reforestation programs. We have an alliance with NextEra Energy Resources, the largest generator of wind and solar power in North America and a provider of carbon offset programs. Through NextEra, we offer corporate customers the option to invest in sustainable energy projects that offset or neutralize their emissions. We are also able to calculate the greenhouse gas emissions for our corporate customers with the ability to drill down for specific locations, countries or globally, over any particular time period. Once our customers determine their annual greenhouse gas emissions reductions goals with respect to their car rental use, we offer the opportunity to further partner with them to achieve their goals. Other solutions that we offer to help customers reduce the environmental impact from their car rentals including efficient route planning to reduce emissions associated with vehicle idling. COST CALCULATION: We estimate annual expenditures in excess of $10 million associated with investments and management time to support our fleet management, innovation initiatives and partnership activities that help to capitalize on this opportunity.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	Avis Budget Group’s low-carbon transition plan is not a scheduled resolution item at our annual shareholder meetings due to our establishment of our environmental targets that provide a path to support low-carbon transition plan. By 2030, we aim to achieve a 30% absolute reduction in absolute Scope 1 and 2 emissions. 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 target will be expected transition to predominantly electric, hybrid and/or more fuel-efficient vehicles in our fleet over the next decade. The management of our ESG strategy, inclusive of climate change is also included in our 2021 annual shareholder meeting materials, including our Proxy Statement. In our 2021 Proxy Statement, we report on the responsibilities of the Corporate Governance Committee, which includes overseeing the Company’s ESG risks.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS	IDENTIFICATION OF SCENARIOS: Avis Budget Group identified and evaluated two climate-related scenarios based on a 2-degree scenario (the accepted limitation of temperature growth to avoid significant and potentially catastrophic changes to the planet) and 4-degree scenario (which will likely lead to sea-level rise and increase severity of extreme weather events). INPUTS, ASSUMPTIONS AND ANALYTICAL CHOICES: Avis Budget Group's climate-related scenarios analysis utilized the TCFD risk and opportunity categories. BOUNDARY AND TIME HORIZONS: We consider our entire value chain, and we primarily focus on our vehicle fleet because consumer use of our vehicles currently comprised 99% of our combined Scope 1 and 2 emissions. We consider risks and opportunities within and beyond the 10-year time horizon used for reporting on risks and opportunities. The geographic areas considered includes all locations where our Company, subsidiaries and affiliates operate with a focus on Americas (North America, South America, Central America, and the Caribbean) where we currently generate approximately 70% of our annual revenues. INFLUENCE ON STRATEGY AND FINANICIAL PLANNING: The decision-making process with regards to strategy and financial planning considers the following materiality-based factors: (1) greatest business impacts; (2) our degree of control and/or influence; and (3) the needs, concerns and key business drivers of our stakeholders. For example, to prioritize our greatest physical and transition risks, we consider the risks that are most applicable to the transportation and travel and tourism industries. We also consider value chain impacts, the location of our properties and alignment with our Company's vision and strategic priorities. Additionally, we consider how physical and transition risks could also have broader socioeconomic impacts that could influence our revenues and profitability. RESULTS: Based on scenario analyses, we have prioritized shifts in consumer preferences as our greatest transition risk due to increased interest among our corporate customers and retail customers. We have also prioritized extreme weather events as our greatest physical risk due to (1) potential business disruptions, (2) impacts to demand for travel in key markets and (3) potential increases in insurance premiums. We maintain dedicated Innovation and Customer Relationship Management teams that are focused on developing and advancing partnerships and programs to proactively manage market risks associated with increased interest in sustainability and the business opportunities associated with the transition to a low-carbon economy. Our Procurement team manages market risks through its fleet procurement and maintenance strategies; and our Treasury department hedges market risks associated with price of fuel through purchasing derivative instruments. Additionally, our Business Continuity teams manages physical risks through the continued enhancement of our emergency response processes.
RCP 2.6	IDENTIFICATION OF SCENARIOS: Avis Budget Group identified and evaluated two climate-related scenarios based on a 2-degree scenario (the accepted limitation of temperature growth to avoid significant and potentially catastrophic changes to the planet) and 4-degree scenario (which will likely lead to sea-level rise and increase severity of extreme weather events). INPUTS, ASSUMPTIONS AND ANALYTICAL CHOICES: Avis Budget Group's climate-related scenarios analysis utilized the TCFD risk and opportunity categories. BOUNDARY AND TIME HORIZONS: We consider our entire value chain, and we primarily focus on our vehicle fleet because consumer use of our vehicles currently comprised 99% of our combined Scope 1 and 2 emissions. We consider risks and opportunities within and beyond the 10-year time horizon used for reporting on risks and opportunities. The geographic areas considered includes all locations where our Company, subsidiaries and affiliates operate with a focus on Americas (North America, South America, Central America, and the Caribbean) where we currently generate approximately 70% of our annual revenues. INFLUENCE ON STRATEGY AND FINANICIAL PLANNING: The decision-making process with regards to strategy and financial planning considers the following materiality-based factors: (1) greatest business impacts; (2) our degree of control and/or influence; and (3) the needs, concerns and key business drivers of our stakeholders. For example, to prioritize our greatest physical and transition risks, we consider the risks that are most applicable to the transportation and travel and tourism industries. We also consider value chain impacts, the location of our properties and alignment with our Company's vision and strategic priorities. Additionally, we consider how physical and transition risks could also have broader socioeconomic impacts that could influence our revenues and profitability. RESULTS: Based on scenario analyses, we have prioritized shifts in consumer preferences as our greatest transition risk due to increased interest among our corporate customers and retail customers. We have also prioritized extreme weather events as our greatest physical risk due to (1) potential business disruptions, (2) impacts to demand for travel in key markets and (3) potential increases in insurance premiums. We maintain dedicated Innovation and Customer Relationship Management teams that are focused on developing and advancing partnerships and programs to proactively manage market risks associated with increased interest in sustainability and the business opportunities associated with the transition to a low-carbon economy. Our Procurement team manages market risks through its fleet procurement and maintenance strategies; and our Treasury department hedges market risks associated with price of fuel through purchasing derivative instruments. Additionally, our Business Continuity teams manages physical risks through the continued enhancement of our emergency response processes.
RCP 8.5	IDENTIFICATION OF SCENARIOS: Avis Budget Group identified and evaluated two climate-related scenarios based on a 2-degree scenario (the accepted limitation of temperature growth to avoid significant and potentially catastrophic changes to the planet) and 4-degree scenario (which will likely lead to sea-level rise and increase severity of extreme weather events). INPUTS, ASSUMPTIONS AND ANALYTICAL CHOICES: Avis Budget Group's climate-related scenarios analysis utilized the TCFD risk and opportunity categories. BOUNDARY AND TIME HORIZONS: We consider our entire value chain, and we primarily focus on our vehicle fleet because consumer use of our vehicles currently comprised 99% of our combined Scope 1 and 2 emissions. We consider risks and opportunities within and beyond the 10-year time horizon used for reporting on risks and opportunities. The geographic areas considered includes all locations where our Company, subsidiaries and affiliates operate with a focus on Americas (North America, South America, Central America, and the Caribbean) where we currently generate approximately 70% of our annual revenues. INFLUENCE ON STRATEGY AND FINANICIAL PLANNING: The decision-making process with regards to strategy and financial planning considers the following materiality-based factors: (1) greatest business impacts; (2) our degree of control and/or influence; and (3) the needs, concerns and key business drivers of our stakeholders. For example, to prioritize our greatest physical and transition risks, we consider the risks that are most applicable to the transportation and travel and tourism industries. We also consider value chain impacts, the location of our properties and alignment with our Company's vision and strategic priorities. Additionally, we consider how physical and transition risks could also have broader socioeconomic impacts that could influence our revenues and profitability. RESULTS: Based on scenario analyses, we have prioritized shifts in consumer preferences as our greatest transition risk due to increased interest among our corporate customers and retail customers. We have also prioritized extreme weather events as our greatest physical risk due to (1) potential business disruptions, (2) impacts to demand for travel in key markets and (3) potential increases in insurance premiums. We maintain dedicated Innovation and Customer Relationship Management teams that are focused on developing and advancing partnerships and programs to proactively manage market risks associated with increased interest in sustainability and the business opportunities associated with the transition to a low-carbon economy. Our Procurement team manages market risks through its fleet procurement and maintenance strategies; and our Treasury department hedges market risks associated with price of fuel through purchasing derivative instruments. Additionally, our Business Continuity teams manages physical risks through the continued enhancement of our emergency response processes.
IEA B2DS	IDENTIFICATION OF SCENARIOS: Avis Budget Group identified and evaluated two climate-related scenarios based on a 2-degree scenario (the accepted limitation of temperature growth to avoid significant and potentially catastrophic changes to the planet) and 4-degree scenario (which will likely lead to sea-level rise and increase severity of extreme weather events). INPUTS, ASSUMPTIONS AND ANALYTICAL CHOICES: Avis Budget Group's climate-related scenarios analysis utilized the TCFD risk and opportunity categories. BOUNDARY AND TIME HORIZONS: We consider our entire value chain, and we primarily focus on our vehicle fleet because consumer use of our vehicles currently comprised 99% of our combined Scope 1 and 2 emissions. We consider risks and opportunities within and beyond the 10-year time horizon used for reporting on risks and opportunities. The geographic areas considered includes all locations where our Company, subsidiaries and affiliates operate with a focus on Americas (North America, South America, Central America, and the Caribbean) where we currently generate approximately 70% of our annual revenues. INFLUENCE ON STRATEGY AND FINANICIAL PLANNING: The decision-making process with regards to strategy and financial planning considers the following materiality-based factors: (1) greatest business impacts; (2) our degree of control and/or influence; and (3) the needs, concerns and key business drivers of our stakeholders. For example, to prioritize our greatest physical and transition risks, we consider the risks that are most applicable to the transportation and travel and tourism industries. We also consider value chain impacts, the location of our properties and alignment with our Company's vision and strategic priorities. Additionally, we consider how physical and transition risks could also have broader socioeconomic impacts that could influence our revenues and profitability. RESULTS: Based on scenario analyses, we have prioritized shifts in consumer preferences as our greatest transition risk due to increased interest among our corporate customers and retail customers. We have also prioritized extreme weather events as our greatest physical risk due to (1) potential business disruptions, (2) impacts to demand for travel in key markets and (3) potential increases in insurance premiums. We maintain dedicated Innovation and Customer Relationship Management teams that are focused on developing and advancing partnerships and programs to proactively manage market risks associated with increased interest in sustainability and the business opportunities associated with the transition to a low-carbon economy. Our Procurement team manages market risks through its fleet procurement and maintenance strategies; and our Treasury department hedges market risks associated with price of fuel through purchasing derivative instruments. Additionally, our Business Continuity teams manages physical risks through the continued enhancement of our emergency response processes.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Based on our scenario analyses, identified potential risks associated with product and services (most notably the rental of cars and trucks within our fleet) include extreme weather events and shifts in consumer preferences. Strategic decisions influenced these risks include our (1) investments in business continuity, (2) investments in innovation and partnerships to support ride-sharing and smart cities, and (3) programs and initiatives to reduce Scope 3 emissions for our corporate customers (including our emissions calculator and carbon offsets program). The management of these risks also present the opportunity for Avis Budget Group to increase operational efficiency and establish competitive advantages. The potential magnitude of these risks and opportunities are currently considered to be medium (in the context of our revenue and operating costs) over the next 1-10 years.
Supply chain and/or value chain	Yes	Based on our scenario analyses, identified potential upstream risks associated with our supply chain include changes in the cost of fuel, energy, and commodities in addition to broader uncertainty in market signals associated with climate change. For example, pricing in the vehicle rental industry is impacted by the size of rental fleets and the supply of vehicles available for rent, which could be impacted by fuel costs and uncertainty in market signals associated with climate change. Downstream potential risks within our value chain (notably our customers' use of cars and trucks within our fleet) include those associated with extreme weather events and shifts in consumer preferences. The management of risks may also present the opportunity for our Company to increase long-term revenue growth and establish competitive advantages by engaging customers on sustainability and partnering with them by low-carbon products and services (including our carbon offsets program). Strategic decisions influenced these risks include our (1) fleet procurement and maintenance strategies, (2) purchases of derivative instruments to hedge against increases in gasoline costs and (3) investments in business continuity; carbon reduction programs for customers; and the future of mobility. The potential magnitude of these risks and opportunities are currently considered to be medium (in the context of our revenue and operating costs) over the next 1-10 years.
Investment in R&D	Yes	We do not currently make any investments, which are classified as research and development expenses, in our financial disclosures. However, we have prioritized innovation initiatives to support our vision for mobility as a service that is completely connected, integrated, and on-demand for our customers and other businesses We view the transition to a low-carbon economy is an important opportunity for our Company. Led by our company's Innovation team, we are focused on advancing low-carbon solutions as part our strategies to make mobility greener, safer, and smarter. We believe that we are well positioned to take advantage of the development of new mobility models as we leverage our fleet management capabilities to provide fleet management services to the public sector, as well as other companies. The potential magnitude of these risks and opportunities are currently considered to be medium (in the context of our revenue and operating costs) over the next 1-10 years.
Operations	Yes	Based on our scenario analyses, identified potential risks associated with operations (most notably the rental of cars and trucks within our fleet) include potential increases in the price of fuel and the associated emissions generated from vehicles. Potential opportunities include further decreasing the fuel and emissions intensity within our fleet of approximately 533,000 vehicles. Strategic decisions influenced these risks and opportunities include through our: (1) decision to have a fully connected fleet, (2) procurement of more fuel-efficient vehicles, (3) investments to fleet optimizations projects, (3) investments in innovation and partnerships to support ride-sharing and smart cities, and (4) programs and initiatives to reduce Scope 3 emissions for our corporate customers (including our emissions calculator and carbon offsets program). We maintain a steadfast focus on managing and improving our fleet decisions to better optimize and drive the purchase, deployment, and disposition of our fleet. For example, in North America, our rental car brands provide customers a variety of fuel efficient options including (1) hybrids and (2) standard vehicles rated "green" by the U.S. Environmental Protection Agency (EPA) at virtually all of our locations. In the United States, 37% of our fleet is rated "green" by the U.S. EPA under the EPA SmartWay certification. Across Europe our fleet complies 100% with the current Euro 6 emission standards (Euro 6, Euro 6c and Euro 6d-TEMP). In Sweden and Norway, 25% or our fleet is hybrid and electric, making it the largest fuel-efficient rental option in the region. Additionally, Avis in Sweden introduced Avis Go Green as a commitment to offer eco-friendly vehicles and increase charging stations availability at rental locations. The program offers plug-in hybrid and electric vehicles at virtually all locations in the country. The potential magnitude of these risks and opportunities are currently considered to be medium (in the context of our revenue and operating costs) over the next 1-10 years.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Access to capital Assets	REVENUES: The most significant risk identified as having a potential impact to our revenues is related to shifts in customer preferences as retail customers (particularly millennials and Gen Z consumers) and corporate customers. The management of these risks also presents the potential opportunity to increase revenue through competitive differentiation. Examples of how these risks and opportunities have been integrated into our financial planning process include (1) our investments in fleet optimization, innovations, customer solutions; and (2) additional expenses associated with our ESG responsibility programs. We continue to advance our programs to engage and partner with customers to promote sustainability and provide low-carbon products and services. For example, we partner with our corporate customers to calculate and reduce their Scope 3 emissions form business travel. Our emissions calculator is used to determine a benchmark and track emissions reductions over time. We provide corporate customers with the opportunity to make their car rental program 100% carbon neutral through the creation of carbon offset credits, which are generated from renewable energy and reforestation programs. In addition to providing hybrid and "green" vehicle selection options for customers, we are invested in giving a fully connected fleet, which will also allow us to streamline operations and reduce costs, including more sophisticated tracking of idle vehicles and employing more dynamic fleet planning. We have also been a global first-mover in the car-sharing space through our acquisition of Zipcar in 2013. Today, Avis Budget Group now operates the world's leading car-sharing network through our Zipcar brand, which provides "wheels when you want them" to urban consumers across nearly 500 cities and towns and nearly 500 university campuses. In addition to taking thousands of cars off the road and reducing congestion, car sharing consumers report notable reductions in their own driving behavior after joining. The potential magnitude of these risks and opportunities are currently considered to be medium (in the context of our current revenue and total assets). DIRECT & INDIRECT COSTS: 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. For example, pricing in the vehicle rental industry is impacted by the size of rental fleets and the supply of vehicles available for rent, which could be impacted by fuel costs and uncertainty in market signals associated with climate change. Potential opportunities associated with managing this risk include further increasing the fuel and emissions efficiency within our fleet of over 530,000 vehicles. Examples of how these risks and opportunities have been integrated into our financial planning process include (1) purchases of derivative instruments to hedge against increases in gasoline costs, (2) fleet procurement decision to "green" and make our fleet fully connected, and (3) investments in fleet optimization and the future of mobility. The potential magnitude of these risks and opportunities are currently considered to be medium (in the context of our current operating costs and total assets). CAPITAL EXPENDITURES & ALLOCATIONS: The most significant climate-related risks identified as having a potential impact to our capital expenditures are the need to respond to shifts in consumer preferences and increased demand for low-carbon product and services. Potential opportunities associated with managing this risk include competitive differentiation and mitigate our business exposure to increases the price of fuel and impacts from extreme weather events and other physical climate risk. Examples of how these risks and opportunities have been integrated into our financial planning process include our investments in (1) "greening" our fleet, (2) having a fully connected fleet and (3) advancing partnerships, capabilities and service offerings to provide low-carbon products and services (including ride sharing and smart cities initiatives). The potential magnitude of these risks and opportunities are currently considered to be medium (in the context of our current operating costs and total assets). ASSETS: The most significant risks associated with the value of our assets (notably our vehicles) is extreme weather events (particularly hurricanes and wildfires). In 2020, we recorded over $9 billion in assets under vehicle programs. While mitigated by our business continuity plans and insurance programs, we cannot fully eliminate all risks associated with property damage from extreme weather events. Examples of how these risks have been integrated into our financial planning process include investments in business continuity plans and our insurance programs. Please note that the insurance policies that we purchase supplement those that our customers also have in place for rented vehicles. The potential magnitude of these risks and opportunities are currently considered to be medium (in the context of our current operating costs and total assets). ACCESS TO CAPITAL: We believe that increased access to capital is a potential climate-related opportunity for our Company. Our performance with regards to climate change mitigation and adaptation 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. Examples of how these risks and opportunities have been integrated into our financial planning process include investments associated with our corporate ESG programs and disclosures. The potential magnitude of this opportunity is currently considered to be medium (in the context of our total assets).

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Our core business strategy is drivig the following objectives: to drive sustainable, profitable growth for our Company by delivering strategic initiatives aimed at winning and retaining customers through (1) differentiated brands and products; (2) increasing our margins via revenue growth and operational efficiency; and (3) enhancing our leadership in the evolving mobility industry.

Climate change has influenced how we execute on each of these objectives in the following ways: (1) We are "greening" our fleet and providing customers with carbon neutral programs to differentiate our brands and products; (2) We are investing in having a fully connected fleet and continued fleet optimization to improve margins and reduce emissions; and (3) We are partnering with innovators in the broader mobility landscape to reduce congestion and make cities smarter.

We recognize that climate change and greenhouse gas emissions are material to our business. For example, automobiles are believed to account for at least 15% of global greenhouse gas emissions and are the greatest source of air pollution in large cities. We also recognize that mobility provides a critical backbone for both local and global economies, and is a powerful accelerator to the quality of life and well-being within communities.

As a Company with a proud 75 year history of responsible business practices, we take our responsibility as a corporate citizen seriously. We are conscious of how our actions not only benefit our customers and our employees, but the community and our environment as well. We recognize that being a successful organization means not only evaluating where we have been but looking to the future and how our actions today can have an impact tomorrow.

We believe that, through the power of our brands and our teams, that we must aim to be better, moving forward with purpose in how we support our employees, customers, business partners and the communities in which we live and work.

We also believe that our company is well-positioned as a leader in the evolving mobility sector based on our leading brands, global operations and our fleet management capabilities. We continue to explore a range of mobility opportunities to support future revenue streams. For example, we have expanded our services to offer vehicle rentals to ride-hail drivers and to package delivery providers. We are also exploring a new suite of services for potential customers who could utilize our operational experience and our technology to maintain and manage their own fleets. Our current and growing list of partnerships with mobility service and technology providers, including companies such as Uber and Via , allows us to offer more options to satisfy a wide variety of mobility needs.

For example, in 2020, we expanded our partnership with Uber to add thousands of vehicles to their drive programs in cities across North America. Through these partnerships, and digital integrations enabled by our fleet management platform's APIs, ride-hail drivers are able to seamlessly and quickly reserve an Avis rental vehicle in select cities from third-party ride-hail apps. Uber and Avis are also partnering to help Uber drivers transition to zero-emissions vehicles. Starting in Los Angeles – with plans to expand across the U.S. in 2021 – the partnership will allow drivers to use zero-emissions cars through a new, affordable Avis EV rental program.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2018

Covered emissions in base year (metric tons CO2e)
6872414

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
30

Covered emissions in target year (metric tons CO2e) [auto-calculated]
4810689.8

Covered emissions in reporting year (metric tons CO2e)
4958119

% of target achieved [auto-calculated]
92.8492278453151

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
2°C aligned

Please explain (including target coverage)
Avis Budget Group's 2030 emissions reduction target covers our entire company's Scope 1 and 2 GHG emissions. In 2020, the impacts of COVID-19 on our company, including the reduction of vehicles in our fleet resulted in a 28% decrease in Scope 1 and 2 emissions since 2018. Central to the execution on this target will be expected transition to predominantly electric, hybrid and/or more fuel-efficient vehicles in our fleet over the next decade. This 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.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2020

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Other, please specify (Mobile)

Target type: activity
Consumption

Target type: energy source
Low-carbon energy source(s)

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2018

Figure or percentage in base year
3

Target year
2030

Figure or percentage in target year
70

Figure or percentage in reporting year
4

% of target achieved [auto-calculated]
1.49253731343284

Target status in reporting year
New

Is this target part of an emissions target?
To support our science-target emissions target, we aim to increase the number of hybrid and/or electric vehicles to at least 70% of our global fleet by 2030.

Is this target part of an overarching initiative?
Science-based targets initiative

Please explain (including target coverage)
In 2020, we had a total of 21,000 hybrid vehicles globally, one of the largest low emission fleets in our industry. 25% of our vehicles in Norway and Sweden are hybrid and electric, and we own the largest, publicly available EV fleet in the United Kingdom.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	10	500
Implementation commenced*	0	0
Implemented*	1	81159
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Transportation	Company fleet vehicle efficiency

Estimated annual CO2e savings (metric tonnes CO2e)
81159

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
12873000

Investment required (unit currency – as specified in C0.4)
63000000

Payback period
1-3 years

Estimated lifetime of the initiative
1-2 years

Comment
In 2020, our hybrid and electric fleet was one of the largest in our industry with 21,000 hybrid electric vehicles globally. The adoption of these hybrid fleet required an additional investment of around $3,000 per vehicle. Using the hybrid vehicle comparison tool provided by the U.S. Energy Department there is an estimated $613 in annual fuel savings which are mainly captured by our Avis Budget Group customers when refueling our vehicles before checkout. In 2020, our hybrid fleet CO2kg per mile was 35% lower than same non-hybrid car class.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	When considering investments in emissions reduction activities, we consider internal rates of returns and payback period for specific projects at our owned and operated locations. For example, lighting retrofits have been prioritized because they present an attractive return on investment. In additional to financial optimization calculations, we also consider efficiency investments to accompany end-of-life replacements for HVAC systems, chillers, boilers and other equipment. With regards to the procurement of vehicles within our fleet, fuel efficiency is one of numerous factors that we consider. For example, 85% of our fleet is rated 26 miles per gallon (highway) or better, and 37% are U.S. EPA SmartWay certified.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
Corporate vehicle rental programs (including 100% carbon neutral program)

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Please select

% revenue from low carbon product(s) in the reporting year
47

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
For Avis Budget Group's corporate customers, we partner to calculate and reduce their Scope 3 emissions form business travel. Our emissions calculator is used to determine a benchmark and track emissions reductions over time. We provide corporate customers with the opportunity to make their car rental program 100% carbon neutral through the creation of carbon offset credits, which are generated from renewable energy and reforestation programs. Avis Budget Group has an alliance with leading global offset providers such as) NextEra Energy Resources, the largest generator of wind and solar power in North America. In 2020, commercial customers represented approximately 47% of revenues within our Avis brand, for which we generate the majority of our revenues.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
6827371

Comment
The majority of our emissions are derived from consumer use of fuel for rented vehicles.

Scope 2 (location-based)

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
45043

Comment
Our Scope 2 emissions are based on purchased electricity at our owned/rented and operated locations.

Scope 2 (market-based)

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
45043

Comment
Our market-based emissions are equal to our location-based emissions.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

4920349

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

The majority of our Scope 1 emissions are derived from consumer use of fuel for rented vehicles.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Please note that in 2020 our Scope 2 emissions represented less than 1% of our combined Scope 1 and 2 emissions, and our market-based emissions were equal to our location-based emissions. In 2020, the impacts of COVID-19 on our company, including the reduction of vehicles in our fleet resulted in a 28% decrease in 2 emissions since 2018. Additionally, while outside of our data boundary, nearly 17,000 metric tons of CO2e were offset in since 2018 through our carbon offset program for corporate customers.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

37770

Scope 2, market-based (if applicable)

37770

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

In 2020, our market-based emissions were equal to our location-based emissions and represented less than 1% of our combined 2020 Scope 1 and 2 emissions. While outside of our data boundary, nearly 17,000 metric tons of CO2e were offset in 2020 through our carbon offset program for corporate customers.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Natural gas consumption and purchased electricity at select owned and operated locations

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
Owned and/or operated locations, particularly our smaller locations, where natural gas and/or electricity data was unavailable during the reporting period has been excluded from our boundary. Excluded locations with incomplete data likely represents less than 2% of our total Scope 1 and 2 emissions.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
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). We do not currently track associated emissions from suppliers as defined in the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Our capital goods primarily consist of the vehicles within our fleet. We do not currently calculate the full life cycle emissions of our fleet. Emissions during the use phase are currently captured within our Scope 1 emissions. We also work to reduce end-of-life emissions through our focus on optimizing our salvage costs.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have not identified any relevant fuel and/or energy-related activities that are not already covered within our Scope 1 and 2 emissions boundary.

Upstream transportation and distribution

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not calculate, but we do consider the life cycle emissions the associated with transportation and distribution of goods that we procure (notably the vehicles that we purchase within our fleet).

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
14039

Emissions calculation methodology
Emissions data includes our Mixed MSW municipal solid waste generated throughout our locations in the United States. Emissions have been calculated using the total metric tons of waste provided by our waste haulers and the following emission factors: Mixed MSW municipal solid waste: Metric Tons CO2e / Short Ton Material Landfilled 0.63 combusted 0.43 Emission factors provided by EPA, Office of Resource Conservation and Recovery (Feb 2016) Documentation for Greenhouse Gas Emissions and Energy Factors used in the Waste Reduction Model (WARM) and align with the requirements of the GHG Protocol Scope 3 Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Reported data is based on our total waste generated in the United States at facilities operated by Avis Budget Group. We remain focused on recycling and reducing solid and liquid waste across our operations. Examples where we drive impact including avoiding motor oil, glass, tires, paper, plastic and e-waste from entering landfills.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
448

Emissions calculation methodology
Emissions data includes air miles and rail miles which have been calculated using the miles provided by our business travel vendor and the following emission factors: Air Travel: (1) Short Haul (< 300 miles) = 0.215 kg CO2 /miles; 0.0077g CH4/miles; 0.0068g N2O/miles. (2) Medium Haul (>= 300 miles, < 2300 miles) = 0.133kg CO2 /miles; 0.0006g CH4/miles; 0.0042g N2O/miles. (3) Long Haul (>= 2300 miles) = 0.165kg CO2 /miles; 0.0006g CH4/miles; 0.0052g N2O/miles Rail Intercity National average: 0.113Kg CO2/passenger mile 0.0092g CH4/passenger mile 0.0026g N2O/passenger mile

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Reported data is based on our operations in the United States, Canada and Europe. Due to the COVID-19 pandemic, in 2020 our Company restricted business travel for health and safety measures as well as for cost reduction purposes. In 2020, our employees took 47% less flights and traveled 57% less air miles compared to 2019 business travel numbers.

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not believe that Scope 3 emissions from employee commuting would reach the threshold for relevance. In 2020, emissions from employee commuting were even lower during the COVID-19 pandemic. Avis Budget Group strives to help support our employees who are owners of electric vehicles by providing charging stations at corporate headquarters and select locations.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions related to leased properties are currently included as part of our Scope 1 and 2 emissions based on our boundary of operational control.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions related to downstream transportation and distribution are currently captured within our Scope 1 and 2 emissions.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions related to the use of sold products (notably our customers' use of cars and trucks within our fleet) are currently captured within our Scope 1 and 2 emissions.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions related to the use of sold products (notably our customers' use of cars and trucks within our fleet) are currently captured within our Scope 1 emissions. And represents the vast mayority of our Scope1 global emissions.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions related to the end-of-life treatment of sold products are generally not relevant to our business model as a rental company that provide mobility solutions. Also, where we retire fleets from our fleet, they are usually within 2-3 years from their model year and still have a useful life of the time of sale.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions related to downstream leased assets (notably our customers' use of cars and trucks within our fleet) are currently captured within our Scope 1 and 2 emissions.

Franchises

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Third-party licensees are relevant to our business model across brands. For example, nearly 50% of our total Avis brand locations are operated by licensees. We do not currently track Scope 3 emissions from relevant licensees and/or independent operators. However, we believe that licensees' relationships are a significant source of our overall Scope 3 emissions.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have not identified any Scope 3 emission from 2020 investments at this time.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have not identified any other upstream Scope 3 emission sources at this time.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have not identified any other downstream Scope 3 emission sources at this time.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0009182

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

4958119

Metric denominator

unit total revenue

Metric denominator: Unit total

5402000000

Scope 2 figure used

Market-based

% change from previous year

22

Direction of change

Increased

Reason for change

In 2020, our revenues were approximately $5.4 billion, 41% lower compared to 2019 (from $9.172 billion to $5.402 billion) reflecting decreased business activity during the COVID-19 pandemic. However, our emissions per revenue increased by 22% (from 0.000763 to 0.0009182). During the COVID-19 pandemic, we have experienced customers renting cars for longer days to travel longer distances by road and avoid airplanes as thought to be safer. This increase in our emissions per revenue is a direct result of customers driving more miles per rental transaction. The increase in 2020 revenue intensity was partly offset by Avis Budget Group's emissions reduction activities, most notably our continued focus on fleet maintenance and optimization.

Intensity figure

0.00054

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

4958119

Metric denominator

Other, please specify (Assets under vehicle programs)

Metric denominator: Unit total

9173000000

Scope 2 figure used

Market-based

% change from previous year

6.7

Direction of change

Increased

Reason for change

In 2020, the recorded value of our assets under vehicle programs decreased by approximately 33% (from $13.8 billion to $9.2 billion) due to the reduction of our vehicle rental fleet to right-size our business in response to the COVID-19 pandemic. Our emissions relative to the value of assets under vehicle programs increased by 7% (from 0.000506 to 0.000540). During the COVID-19 pandemic, we have experienced customers renting cars for longer days to travel longer distances by road and avoid airplanes as thought to be safer. This increase in our emissions realtive to the value of assets under vehicle programs is a direct result of customers driving more miles per rental transaction. The increase in 2020 asset intensity was partly offset by Avis Budget Group's emissions reduction activities, most notably our continued focus on fleet maintenance and optimization maintenance and optimization.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4905150	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	1975	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	13224	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	76817
United States of America	4325349
Other, please specify (Rest of the World)	518183

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Car and Truck Rentals	4712122
Zipcar Rentals	59036
Corporate and Other	149191

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Canada	1283	1283	7971	0
United States of America	25878	25878	64325	0
Other, please specify (Rest of the World)	10609	10609	15646	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Car and Truck Rentals	0	0
ZipCar Rentals	0	0
Corporate and Other	37770	37770

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	In 2020, changes in renewable energy consumption did not impact our emissions performance. Please note than less than 1% our combined Scope 1 and 2 emissions was from purchased electricity. Our Scope 1 and 2 emissions are principally derived from our customers' use of our fleet for vehicle rentals.
Other emissions reduction activities	221956	Decreased	3.07	In 2020, we estimated a 3.07% reduction due to our emissions reduction activities, which includes our emphasis on introducing more fuel efficient vehicles, behavioural changes and vehilcle maintenance and optimization. For example, in 2020, our hybrid and electric fleet was one of the largest in our industry with 21,000 hybrid electric vehicles globally. 25% of our fleet in Norway and Sweden is now hybrid and/or electric. The numerator used in the calculation is 221,956 MT CO2e and the denominator is Avis Budget Group's 2019 Scope 1 and 2 emissions, which were 6,996,387 MT CO2e.
Divestment	0	No change	0	In 2020, no divestments affected our emissions performance.
Acquisitions	0	No change	0	In 2020, no acquisitions affected our emissions performance.
Mergers	0	No change	0	Mergers were not applicable during the reporting period.
Change in output	1819061	Decreased	27	In 2020, we estimated a 26% decrease in our annual emissions due to the impacts of COVID-19 on our business, including reservations and revenue. The numerator used in the calculation is 1,819,061 MT CO2e and the denominator is Avis Budget Group's 2019 Scope 1 and 2 emissions, which were 6,996,387 MT CO2e.
Change in methodology	2749	Decreased	0.06	In 2020, we estimated a 0.06% decrease in our annual emissions due to changes in emissions factors for CH4 (methane) and N2O (nitrous oxide) from fuel consumption compared to 2019. Emission factor changes: From CH4 0.0173g/mile in 2019 to CH4 0.0052g/mile in 2020 and From N2O 0.0036 g/mile in 2019 to N2O 0.0016g/mile in 2020. The numerator used in the calculation is 4,904,801 MT CO2e from 2020 mobile sources and the denominator is the mobile sources emission using the 2019 emission factors, which was 4,907,550 MT CO2e. Our emission factors are sourced from EPA's Emission Factors Hub, August 2020.
Change in boundary	0	No change	0	In 2020, changes in our data boundary did not impact our performance.
Change in physical operating conditions	0	No change	0	We do not currently identified a correlation between physical operating conditions, such as weather variations, because less than 1% of our Scope 1 and 2 emissions are from buildings. Potential impacts from weather to business demand for our mobility solutions would be captured as a factor contributing to our annual change in output.
Unidentified	0	No change	0	In 2020, there were no unidentified drivers. (While offset by Avis Budget Group's emission reduction activities, our absolute decrease in emissions primarily reflects lower levels of business activity during the COVID-19 pandemic.)
Other	0	No change	0	In 2020, we have not identified any other drivers. (While offset by Avis Budget Group's emission reduction activities, our absolute decrease in emissions primarily reflects lower levels of business activity during the COVID-19 pandemic.)

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	19690342	19690342
Consumption of purchased or acquired electricity	<Not Applicable>	0	81862	81862
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	19772204	19772204

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
1875714

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
10.21

Unit
kg CO2 per gallon

Emissions factor source
EPA Center for Corporate Climate Leadership. U.S Environmental Protection Agency Version 6, August 2020

Comment
In addition to motor gasoline, our vehicle fleet also includes diesel-powered vehicles. Examples include (1) car rentals in Europe and (2) truck rentals.

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
17729313

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
8.78

Unit
kg CO2 per gallon

Emissions factor source
EPA Center for Corporate Climate Leadership. U.S Environmental Protection Agency Version 6, August 2020

Comment
The majority of our fuel consumption is generated from the use of gasoline within our vehicle fleet.

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
81988

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
81988

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
53.06

Unit
kg CO2 per million Btu

Emissions factor source
EPA Center for Corporate Climate Leadership. U.S Environmental Protection Agency Version 6, August 2020

Comment
Natural gas consumption occurs at our owned and/or operated locations for heating purposes.

Fuels (excluding feedstocks)
Fuel Oil Number 2

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
3327

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
3327

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
73.96

Unit
kg CO2 per million Btu

Emissions factor source

EPA Center for Corporate Climate Leadership. U.S Environmental Protection Agency Version 6, August 2020

Comment
Heating oil consumption occurs for heating purposes at some owned and/or operated locations

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type
<Not Applicable>

Country/area of consumption of low-carbon electricity, heat, steam or cooling
<Not Applicable>

MWh consumed accounted for at a zero emission factor
<Not Applicable>

Comment
During the reporting period, we did not identify any instances where low-carbon energy was purchased or generated online at our owned and/or operated locations. Please note that our Scope 2 emissions comprise a very small percentage of our total Scope 1 and 2 emissions. The vast majority of our emissions are from fuel consumption within our fleet of vehicles (for which we offer carbon offset programs for customers).

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
19772204

Metric numerator
Total MWhs (direct and indirect)

Metric denominator (intensity metric only)

% change from previous year
28

Direction of change
Decreased

Please explain
In 2020, our energy usage decreased by 28% due to the impacts of COVID-19 on our business activity. This included a 41% decrease in our annual revenue and 19% decrease in our global rental fleet compared to 2019.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
We provide corporate customers with the opportunity to make their car rental program 100% carbon neutral through the creation of carbon offset credits, which are generated from renewable energy and reforestation programs. We have an alliance with NextEra Energy Resources, the largest generator of wind and solar power in North America and a provider of carbon offset programs. Through NextEra, we offer corporate customers the option to invest in sustainable energy projects that offset or neutralize their emissions.

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
17000

Number of credits (metric tonnes CO2e): Risk adjusted volume
17000

Credits cancelled
Not relevant

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
The reported supplier coverage is based on (1) our Third Party Standards of Conduct and (2) our environmental initiatives (notably the "greening" of our fleet). We aim to partner with suppliers that share our commitment to protecting the environment and are able to support Avis Budget Group's environmental goals and strategies by providing products and services with environmental attributes that lower our impact across our value chain. Through our Third Party Standards of Conduct, we set forth our expectations for suppliers to reduce and minimize the environmental impact of all of their operations in the short-term, and also plan for long-term sustainability. We engage with our car manufacturers to ensure our brands offer a variety of options. This includes hybrids and vehicles rated "green" by the United States Environmental Protection Agency (EPA) under the EPA SmartWay certification. Additionally, across Europe, we aim to maintain compliance with the current Euro 6 emission standards (Euro 6, Euro 6c and Euro 6d-TEMP).

Impact of engagement, including measures of success
Specific to each country of operation, we identify metrics to measure our success to "green" our fleet and reduce our environmental impact. For example, in the United States (which is our largest market), we track the percentage of U.S. EPA SmartWay or SmartWay Elite Certified vehicles. In the United States, 37% have received this certification. Across Europe and Asia Pacific, we offer customers a fuel-efficient, low-emission or electric model every time they rent a car. For example, In Sweden and Norway 25% or our fleet is hybrid and electric. Additionally, across Europe our fleet complies 100% with the current Euro 6 emission standards (Euro 6, Euro 6c and Euro 6d-TEMP).

Comment
We also engage with our car manufacturers to support our commitment to have a fully connected fleet, which is expected to reduce emissions through enhanced fleet maintenance and optimization. Currently, we have more 165,000 fully connected vehicles globally. We have approximately 5,000 Mobility Lab connected cars where we engaged in testing and learning with the goal of enhancing travelers' experiences through our connected cars. Additionally, approximately 300 of our airport shuttle buses are also connected vehicles.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Coverage is based on providing Avis and Budget customers (both rental and corporate) with the options to (1) rent fuel efficient vehicles and (2) purchase carbon offsets. Coverage also includes our Zipcar business, which is now the world's leading car-sharing network. In addition to taking thousands of cars off the road and reducing congestion, car sharing members report notable reductions in their own driving behavior after joining. Members have reported reducing their vehicle miles traveled by an average of 40% per month. In addition to offering "green" vehicles (including hybrid vehicles) for customers, we provide customers with the opportunity to make their car rental program 100% carbon neutral through the creation of carbon offset credits, which are generated from renewable energy and reforestation programs. For Avis Budget Group's corporate customers, we partner to calculate and reduce their Scope 3 emissions form business travel. Our emissions calculator is used to determine a benchmark and track emissions reductions over time. Additionally, we continue to pilot electric vehicle rentals in select markets within the United States and Europe. We are also partnering with Uber to help Uber drivers transition to zero-emissions vehicles. Starting in Los Angeles – with plans to expand across the U.S. in 2021 – the partnership will allow drivers to use zero-emissions cars through a new, affordable Avis EV rental program.

Impact of engagement, including measures of success
Metrics that we use to measure our success and impacts to reduce global greenhouse gas emissions include (1) avoided emissions through carbon offset programs and (2) reductions in our corporate customers' Scope 3 business travel emissions that we are able to partner with them to achieve (using our emission calculator). For example, since 2018, we have purchased 54,000 metric tons of carbon-offset credits through our partnership with NextEra Energy Resources.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Partnerships are central to Avis Budget Group's climate strategy. For example, Avis Budget Group has an alliance with NextEra Energy Resources, the largest generator of wind and solar power in North America and other providers. Through this provider, corporate customers can invest in sustainable energy projects that offset, or neutralize, their emissions.

We also maintain active partnerships with innovators in the broader sustainable mobility landscape. For example, we have entered into partnerships with Waymo, Uber, Via and Otomono to leverage our fleet and data capabilities to advance ride sharing. We have also partnered with Kansas City to provide customers easy access to parking and traffic information through the Avis app, demonstrating our ability to collaborate with municipalities around the globe as they move forward with their smart city initiatives to reduce congestion.

Further information on our sustainability mobility partnerships is as follows:

WAYMO: Since 2017, we have partnered with Waymo to offer fleet support and maintenance services for their self-driving car program. This partnership is allowing us to accelerate our knowledge and hands-on experience as new mobility services become available in the marketplace. It's believed that fully autonomous vehicles have the potential to highly reduce congestion and greenhouse gas emissions.

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

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

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

KANSAS CITY MOBILITY LAB: Launched in 2017, our Mobility Lab in the greater Kansas City, Missouri area has served us as a test bed for fully connected vehicles and operations and how we collaborate with smart city initiatives. Data is a key driver of the new global digital economy, and our connected fleet data positions us to partner with more cities around the globe to power today's and tomorrow's mobility initiatives.

OTONOMO: Our partnership with the Otonomo Automotive Data Services Platform is helping us gain new and actionable insights from our connected cars, which span a diverse range of makes, models and telematics technologies. By reshaping this disparate connected car data for new users, we are gaining insights to streamline operations, reduce costs and improve customer satisfaction. The Otonomo Platform also provides Avis Budget Group with new opportunities for collaboration with cities and other partners that benefit our customers and the general public.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

Other

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Avis Budget Group is a Chairman’s Circle level member of the United States Travel Association (USTA), which is a trade organization that advocates for policies that help grow and sustain the travel business. Climate change mitigation and adaptation are promoted within USTA’s focus on modernizing travel infrastructure and promoting national parks.

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 Eurozone.

Additionally, Avis Budget Group has also developed and continues to maintain longstanding partnerships with leading national disaster agencies, which strengthens our ability to proactively and effectively respond to extreme weather events (including hurricanes and wildfires) and to provide support to affected customers, employees and communities. For example, in 2020, through our ACRA participation, car rental companies has been deemed as essential business during the COVID-19 health crisis. Car rental companies provide –large and small –such services day-in and day-out to government agencies, other essential businesses, and the public in every community across the country.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our processes to ensure that indirect activities are consistent with our overall climate change strategy are as follows: (1) Prior to entering into new affiliations or expanding the scope of current affiliations, an organization’s policy positions are among the several factors that we would consider. (2) Through membership and participation, we would be able to monitor whether their activities are consistent with our climate and energy strategy. (3) Additionally, we utilize our annual disclosures to the CDP Climate Change program as an opportunity to further review and assess whether the public policy positions of trade associations for which Avis Budget Group has an affiliation are consistent with our own climate change strategy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
ABG 10-k report.pdf

Page/Section reference
Pages 15-17 ("Corporate Social Responsibility") of our and Page 28 ("Risk Factors") of our 2020 10-K Filing.

Content elements
Strategy
Risks & opportunities

Comment
Climate change is listed as a specific risk factor in our 10-K filing. We also disclose our strategy on monitoring, measuring and managing our environmental impact and our carbon offset program.

Publication
In mainstream reports

Status
Complete

Attach the document
ABG Proxy Statement.pdf

Page/Section reference
Page 15 ("Oversight of Environmental, Social and Governance ("ESG") Matters")

Content elements
Governance

Comment
Oversight of ESG issues, including climate change in included in our 2021 Proxy Statement.

Publication
In voluntary sustainability report

Status
Underway – previous year attached

Attach the document
CSR2020_Brochure_23.10.20.pdf

Page/Section reference
Pages 9-12 ("Corporate Social Responsibility strategy"); Page 13 ("Roadmap to Sustainable, Inclusive Mobility"); Page 28 ("Our Environmental Footprint"); Pages 44-45 (" Governance (ESG) Oversight"); Pages 54-60 ("GRI Index"); and Pages 61 ("SASB Disclosures"). Please note that our 2021 ESG report will be published in August 2021 and will include our up to date data and the TCFD Report.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
In August 2021, we will publish our third comprehensive ESG Report, utilizing the GRI standards, SASB disclosures and TCFD framework.

Publication
In voluntary communications

Status
Complete

Attach the document
ABG-Environmental-Policy-2019.pdf

Page/Section reference
All

Content elements
Governance
Strategy
Risks & opportunities

Comment
Our Environmental Policy has content on greenhouse gas emissions in addition to climate risks and opportunities.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	ESG Manager	Environment/Sustainability manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors Customers	Public

Please confirm below

I have read and accept the applicable Terms