

W0. Introduction

---

W0.1

---

(W0.1) Give a general description of 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 totaled 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.

FORWARD LOOKING STATEMENTS: Certain statements contained in this CDP 2021 Water Security 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.

W0.2

---

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2020	December 31 2020

W0.3

---

(W0.3) Select the countries/areas for which you will be supplying data.

United States of America

W0.4

---

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

## W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

## W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

## W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Company-operated locations outside of the United States	Due to limited data availability, Avis Budget Group does not report on water withdrawals for international locations outside of the United States.

## W1. Current state

### W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Neutral	Vital	Avis Budget Group is a leading global provider of mobility solutions, and as such, the availability of water is important to our business and stakeholders, including local communities. Although our operations do depend on freshwater to be available to clean our rental vehicles and also for our employees, the availability of recycled water is significantly more vital to our business. For example, at our major facilities, we continue to maintain and install water saving car wash systems that recycle and reuse up to 80% of their wastewater. Additionally, the impacts of COVID-19 have resulted in increased cleaning protocols, making water availability necessary. Our suppliers and their workers also require access to quality freshwater for production, sanitation and health purposes.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	Sufficient amounts of recycled, brackish and/or produced water available for use is vital for our business. For example, across our major facilities, we continue to maintain and install water saving car wash systems, that recycle and reuse up to 80% of their wastewater. Sufficient amounts of recycled, brackish and/or produced water is also important to our indirect operations and value chain.

### W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	51-75	In 2020, our data boundary included all of our company-operated U.S. operating locations.
Water withdrawals – volumes by source	51-75	In 2020, our primary withdrawal source was municipal water, and our data boundary included all of our company-operated U.S. operating locations. Please note, other sources of water withdrawals such as groundwater such are either not used or estimated to not be a significant source of overall water withdrawals.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not monitored	Avis Budget Group does not monitor water withdrawals quality, as it is less relevant for our business. Most of our water withdrawals are attributed to car washing at our operating locations.
Water discharges – total volumes	Not monitored	Avis Budget Group does not currently monitor water discharges.
Water discharges – volumes by destination	Not monitored	Water discharges are believed to be the returned to the source, namely sewers for our withdrawals of municipal water.
Water discharges – volumes by treatment method	Not relevant	Water discharges by treatment method are applicable to local municipalities once our water withdrawals are returned to the source, namely sewers for our withdrawals of municipal water.
Water discharge quality – by standard effluent parameters	Not relevant	Water discharge quality by standard effluent parameters are typically addressed by local municipalities once our water withdrawals are returned to the source, namely sewers for our withdrawals of municipal water.
Water discharge quality – temperature	Not relevant	Discharge quality, including temperatures, are typically addressed by local municipalities once our water withdrawals are returned to the source, namely sewers for our withdrawals of municipal water.
Water consumption – total volume	51-75	We currently assume that our water withdrawn is consumed.
Water recycled/reused	Not monitored	We do not currently measure the amount of water that is recycled or re-used on a company-wide basis.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Avis Budget Group aims to ensure the provision of fully-functioning, safely managed WASH services to all workers as relevant and in compliance with any application regulations.

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	838	Much lower	In 2020, Avis Budget Group's total water withdrawals decreased by 26% due to the impacts of COVID-19 on our industry, 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.
Total discharges		Please select	Avis Budget Group does not currently monitor data associated with total water discharges.
Total consumption	838	Much lower	In 2020, we tracked water consumption in alignment with annual water withdrawals.

**W1.2d**

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	This is our first year of measurement	WRI Aqueduct	In 2021, we conducted our water assessment of Avis Budget Group's U.S. operating locations. The methodology for assessing our company's exposure to water risks included mapping properties using the World Resources Institute (WRI) Aqueduct tool to identify locations with baseline water stress, riverine and coastal flood, drought and future water stress risks. Approximately 49% of water withdrawn from U.S. operating locations located in areas of "high" or "extremely high" stress using the WRI Aqueduct tool.

**W1.2h**

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	In 2020, the use of fresh surface water, including rainwater, water from wetlands, rivers and lakes was not material within our data boundary.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	There are no known instances where Avis Budget Group currently uses brackish surface water or seawater at our operating locations in the United States.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	There are no known instances where Avis Budget Group currently uses groundwater at our operating locations in the United States.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	There are no known instances where Avis Budget Group currently uses groundwater at our operating locations in the United States.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	There are no known instances where Avis Budget Group currently uses produced or entrained water at our operating locations in the United States.
Third party sources	Relevant	838	Much lower	In 2020, our water withdrawals were primarily based on the use of municipal water at our United States operating facilities. In 2020, Avis Budget Group's water withdrawal from third-party sources decreased by 26% due to the impacts of COVID-19 on our industry, including decreased demand for travel.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

**% of suppliers by number**

None currently, but we plan to request this within the next two years

**% of total procurement spend**

<Not Applicable>

**Rationale for this coverage**

Although Avis Budget Group does not request that our suppliers report on their water use. We aim to conduct appropriate diligence including research and analysis of a company or organization in the selection process to reduce risk and comply with the applicable laws. Our approach is to conduct a risk-based screening of our business partners to ensure the ability to comply with our Third-Party Standards of Conduct.

**Impact of the engagement and measures of success**

<Not Applicable>

**Comment**

Not applicable during the reporting year

W1.4b

**(W1.4b) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Onboarding & compliance

**Details of engagement**

Requirement to adhere to our code of conduct regarding water stewardship and management

**% of suppliers by number**

76-100

**% of total procurement spend**

76-100

**Rationale for the coverage of your engagement**

The reported supplier coverage is based on our Third Party Standards of Conduct. Avis Budget Group's Third Party Standards of Conduct represents our company's commitment to foster sustainable relationships with our business partners, agents, consultants, suppliers and other third parties and ensure that they uphold ethical standards and adhere to social and environmental responsibilities for the good of the communities that we serve. Avis Budget Group expects that Third Parties, in all their activities, will comply with all applicable laws, rules and regulations of the countries and localities in which they operate, whether or not specifically referenced in the Third Party Standards of Conduct.

**Impact of the engagement and measures of success**

Currently, the primary impact of the engagement is that Avis Budget Group's commitment to environmental stewardship to conveyed to our suppliers. The current measure of success is the number of suppliers that are subject to our Third Party Standards of Conduct.

**Comment**

Avis Budget Group's Third Party Standards of Conduct is publicly available at: [https://avisbudgetgroup.com/wp-content/uploads/2019/01/Final-3P-Standards\\_Dentons\\_JC\\_09302016.pdf](https://avisbudgetgroup.com/wp-content/uploads/2019/01/Final-3P-Standards_Dentons_JC_09302016.pdf) .

---

**W2. Business impacts**

---

**W2.1**

---

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

---

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

**W3. Procedures**

---

**W3.3**

---

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

---

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

## Direct operations

### Coverage

Partial

### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

### Frequency of assessment

Every two years

### How far into the future are risks considered?

More than 6 years

### Type of tools and methods used

Tools on the market

### Tools and methods used

WRI Aqueduct

### Comment

Avis Budget Group completed our first water risk assessment that covered our U.S. operating locations. The methodology for assessing our company's exposure to water risks included mapping properties using the World Resources Institute (WRI) Aqueduct tool to identify locations with baseline water stress, riverine and coastal flood, drought and future water stress risks. We assessed both current and future risks across numerous dimensions, including: (1) current water stress, (2) number of vehicle rentals at each location, (3) flood risk and (4) drought risk.

## Supply chain

### Coverage

Partial

### Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

### Frequency of assessment

More than once a year

### How far into the future are risks considered?

More than 6 years

### Type of tools and methods used

Enterprise Risk Management

### Tools and methods used

COSO Enterprise Risk Management Framework

### Comment

Supply chain risks, including those associated with extreme weather events and other water-related risks that may impact our company's overall risk factors, are regularly reviewed as part of our multi-disciplinary, company-wide risk management process.

## Other stages of the value chain

### Coverage

Partial

### Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

### Frequency of assessment

More than once a year

### How far into the future are risks considered?

More than 6 years

### Type of tools and methods used

Enterprise Risk Management

### Tools and methods used

COSO Enterprise Risk Management Framework

### Comment

Value chain risks, including those associated with safety and other water-related risks may impact our company's overall risk factors, are regularly reviewed as part of our multi-disciplinary, company-wide risk management process.

## W3.3b

---

**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Avis Budget Group assesses water availability at the basin level, considering baseline water stress, using the WRI Aqueduct tool.
Water quality at a basin/catchment level	Relevant, always included	Avis Budget Group assesses water quality at the basin level, considering baseline water stress, using the WRI Aqueduct tool.
Stakeholder conflicts concerning water resources at a basin/catchment level	Not relevant, included	Stakeholder conflicts concerning water resources at a basin/catchment level is not a relevant contextual issue at this time based on our company's potential water risks over the next six years.
Implications of water on your key commodities/raw materials	Not relevant, included	Implications of water on key commodities/raw materials are not directly applicable to our company, because we do not manufacture products. However, we have a vast supplier network to provide goods and services to locations around the globe, that 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).
Water-related regulatory frameworks	Not relevant, included	Based on our water-risk assessment of our company's U.S. operating locations, water-related regulatory frameworks is not a relevant contextual issue at this time.
Status of ecosystems and habitats	Relevant, always included	We consider risks related to the status of ecosystems and habitats to be relevant to our business model, particularly in the context of our dependency on a thriving travel and tourism industry.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Avis Budget Group aims to ensure the provision of fully-functioning, safely managed WASH services to all workers as relevant and in compliance with any applicable regulations.
Other contextual issues, please specify	Relevant, always included	Using the WRI Aqueduct tool, we assess properties with future water availability and quality risks. We recognize that future water availability and quality can have a significant impact on our stakeholders, including franchisees, and our growth plans within key markets.

**W3.3c**

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Avis Budget Group's customers (including corporate clients) are considered in our company's water-related risk assessment. 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 environmental impact.
Employees	Relevant, always included	Avis Budget Group's employees are considered in our company's water-related risk assessments. Our employees depend on access to water to clean our rental vehicles.
Investors	Relevant, always included	Avis Budget Group's investors are considered in our company's water-related risk assessments. Through our annual ESG reporting, we aim to increase our public disclosures to better demonstrate to shareholders our strategy and actions taken to better mitigate risks and drive more sustainable, responsible growth.
Local communities	Relevant, always included	Local communities where Avis Budget Group's operating facilities are located are considered in our company's water-related risk assessments, as we aim to strengthen community resilience. These communities may be affected by water-related risks, including baseline water stress, droughts and flooding.
NGOs	Relevant, always included	Avis Budget Group considers NGOs in our company's water-related risk assessments. This includes partnering with organizations to support community resilience. Additionally, our company's first water risk assessment utilized tools from the World Resources Institute.
Other water users at a basin/catchment level	Relevant, sometimes included	Avis Budget Group aims to consider all applicable stakeholders in our company's water-related risk assessments. However, our business does not manufacture products, and is not a top user of water in local markets or within individual river basins.
Regulators	Relevant, always included	Avis Budget Group considers regulators in our company's water-related risk assessments, specifically in the markets where we operate.
River basin management authorities	Not relevant, explanation provided	River basin management authorities are not currently relevant, because our company is not a manufacturer or top user of water in local markets.
Statutory special interest groups at a local level	Not relevant, explanation provided	Statutory special interest groups at a local level are not currently relevant, because our company is not a manufacturer or top user of water in local markets.
Suppliers	Relevant, sometimes included	Avis Budget Group considers suppliers in our company's water-related risk assessments. Guided by the expectations set forth in our Third Party Standards of Conduct, we actively partner with suppliers to manage risks and create shared value.
Water utilities at a local level	Relevant, always included	Avis Budget Group considers water utilities at a local level in our company's water-related risk assessments. These risks are managed by our individual operating locations.
Other stakeholder, please specify	Please select	

**W3.3d**

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

**PROCESSES AT COMPANY LEVEL:** At the company level, our Corporate Social Responsibility team maintains daily strategic oversight to identify and manage risks related to water 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 location-based. At the location-based asset level, we identify and assess water-related risks and opportunities by actively tracking environmental performance and water-related risks. Additionally, our business continuity processes enable us to identify and assess physical water risks (including flooding and drought risks).

In 2021, we completed our first water risk assessment of all of our U.S. operating locations. We assessed both current risks across these locations, including: (1) current baseline water stress, (2) number of vehicle rentals at each location, (3) flood risk, (4) drought risk and (5) water usage.

**BOUNDARY AND TIME HORIZON:** 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). Our company considers ESG risks and opportunities, including those related to water security, within a 10-year time horizon.

**DECISION MAKING PROCESSES:** 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. The criteria used to determine our priorities with regards to water 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.

Examples related to water-related issues have influenced our business strategy and planning process includes the establishment of a provisional 2030 water reduction target and initiatives to improve water efficiency at our operating locations.

## W4. Risks and opportunities

---

### W4.1

---

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

### W4.1a

---

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

**DEFINITION OF SUBSTANTIVE IMPACT:** 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 Water Security 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.

**FACTORS CONSIDERED:** To determine whether to risk is substantive, the risk probability and frequency over a 5-year time horizon are the most significant factors. We also consider the potential magnitude of water-related risks.

**METRICS USED:** Operating costs is used as the primary metric to contextualize risk thresholds.

To track our progress toward managing water-related risks, current metrics used include (1) water consumption, (2) water intensity, and (3) progress towards our 2030 water reduction target. Our current provisional target is to reduce our water footprint by 30%, prioritizing water stressed locations.

### W4.1b

---

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	6	Less than 1%	We have prioritized six operating locations within our data boundary with notable water risk at based on the following factors: (1) located in "high" or "extremely high" water stress areas, based on the WRI Aqueduct tool and (2) have higher water usage relative to other locations in our data boundary . Two of these facilities are located in California, two of these facilities are located in Florida, one of these facilities is located in Arizona, and one of these facilities is located in Colorado.

W4.1c

---

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

United States of America	Colorado River (Pacific Ocean)
--------------------------	--------------------------------

**Number of facilities exposed to water risk**

3

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Within the Colorado River (Pacific Ocean) river basin, there are three facilities identified as having "extremely high" water stress using the WRI Aqueduct Tool and high-water consumption compared to other operating locations. Two of the facilities represent airport locations in Los Angeles, California, and one of the facilities represent an airport location in Phoenix, Arizona.

**Country/Area & River basin**

United States of America	Other, please specify (Gulf of Mexico – North Atlantic Coast)
--------------------------	---

**Number of facilities exposed to water risk**

2

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Within the Gulf of Mexico – North Atlantic Coast river basin, there are two facilities identified as having "high" water stress using the WRI Aqueduct Tool and higher water consumption compared to other operating locations. The two facilities represent airport locations in Palm Beach, Florida.

**Country/Area & River basin**

United States of America	Mississippi River
--------------------------	-------------------

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Within the Mississippi basin, there is 1 facilities identified as having "extremely high" water stress using the WRI Aqueduct Tool and high-water consumption compared to other operating locations. The facility represents an airport location in Denver, Colorado.

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

#### Country/Area & River basin

United States of America	Other, please specify (Gulf of Mexico and North Atlantic Coast)
--------------------------	---

#### Type of risk & Primary risk driver

Physical	Severe weather events
----------	-----------------------

#### Primary potential impact

Increased operating costs

#### 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.

#### Timeframe

4-6 years

#### Magnitude of potential impact

Medium

#### Likelihood

More likely than not

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

47000000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

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.

#### Primary response to risk

Amend the Business Continuity Plan

#### Description of response

Over the past 75 years, we have developed strong competencies in how we are able to respond when extreme weather events, including those also associated with water-related risks, including flooding. 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 provide vehicles and volunteer time to help communities recover from hurricanes, floods and other disasters throughout the year. We also 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. To also manage risks related to extreme weather events, Avis Budget Group conducted a water risks assessment, which highlighted our company's flood risks for our U.S. operating locations. We will use the results from this assessment to evaluate opportunities to implement additional mitigation measures at high-risk locations.

#### Cost of response

10000000

#### Explanation of cost of response

Annually, we typically incur expenditures in excess of \$10 million associated with our insurance programs, business continuity processes and disaster response and relief efforts.

#### Country/Area & River basin

United States of America	Other, please specify (All river basins in United States where our operating locations are located)
--------------------------	---

#### Type of risk & Primary risk driver

**Primary potential impact**

Reduction in capital availability

**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. The cleanliness of our rental cars is also a top priority for our company, as it directly impacts our reputation. This is particularly true over the past year as a result of COVID-19, as our customers want to feel confident in our cleaning processes. Increasingly, sustainability is also 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 environmental impact associated with the use of products and services for business travel. Our performance with regards to water-risk 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 is inclusive of water-related risks), which could influence our cost of capital.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

47000000

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

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.

**Primary response to risk**

Improve monitoring

**Description of response**

Water is a precious resource for the world, and for Avis Budget Group. Limited or irregular water supply can have an impact on our operations, but also our reputation, as consumers are increasingly interested in sustainability. Therefore, we are focused on being responsible, efficient stewards of local water resources. To minimize our water footprint, we are targeting our greatest impacts, which includes consumption and wastewater associated with cleaning and maintaining our vehicles. We are also prioritizing reductions and efficiency measures at our operating locations with the highest level of water stress and scarcity risks. For example, across our major facilities, we continue to maintain and install water saving car wash systems. These recycle and reuse up to 80% of their wastewater. Starting in 2019, selected locations across Spain have piloted a Wash and Clean Quick Turn Around (QTA) process to save water. Returned vehicles under a short-term rental are visually inspected and when considered not dirty enough to go through a cleaning circuit they would be dry-cleaned on the spot. Car dry cleaning is a special process, where chemical products are used for a waterless process. Other benefits include efficiencies in the process and immediate availability of cars in the ready line. In 2021, this Wash and Clean QTA program will be deployed across Europe and Asia Pacific. Additionally, in 2021, we have developed a provisional water reduction target, which aims to reduce water footprint by 30%, prioritizing water stressed locations.

**Cost of response**

10000000

**Explanation of cost of response**

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.

W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Avis Budget Group has not identified any substantial impacts from water-related risks in our value chain. Quantitatively, we generally consider a risk to be substantive based on a scenario where at least 1% of our revenue can be impacted. Potential risks within our value chain include potential (1) supply chain disruptions as a result of extreme weather events, such as hurricanes and floods; (2) increased costs in good that we procure; and (3) local community health risks associated with declining water quality.

W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

### Type of opportunity

Efficiency

### Primary water-related opportunity

Improved water efficiency in operations

### Company-specific description & strategy to realize opportunity

DESCRIPTION OF OPPORTUNITY: Water is a precious resource for the world, and for Avis Budget Group. Limited or irregular water supply can have an impact on our operations. Therefore, we are focused on being responsible, efficient stewards of local water resources. To minimize our water footprint, we are targeting our greatest impacts, which includes consumption and wastewater associated with cleaning and maintaining our vehicles. We are also prioritizing reductions and efficiency measures at our operating locations with the highest level of water stress and scarcity risks. OUR STRATEGY: In 2021, at Avis Budget group we have set a provisional water reduction target to reduce our water footprint by 30% by 2030, prioritizing water stressed locations. We are also committed to evaluating opportunities to increase water efficiency measures, including installing water savings car wash systems. We are also committed to finding alternative waterless cleaning processes. For example, starting in 2019, selected locations across Spain have piloted a Wash and Clean Quick Turn Around (QTA) process to save water. Returned vehicles under a short-term rental are visually inspected and when considered not dirty enough to go through a cleaning circuit they would be dry-cleaned on the spot. Car dry cleaning is a special process, where chemical products are used for a waterless process. Other benefits include efficiencies in the process and immediate availability of cars in the ready line. In 2021, this Wash and Clean QTA program will be deployed across Europe and Asia Pacific.

### Estimated timeframe for realization

4 to 6 years

### Magnitude of potential financial impact

Low-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

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

## W5. Facility-level water accounting

### W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

#### Facility reference number

Facility 1

#### Facility name (optional)

Phoenix, Az

#### Country/Area & River basin

United States of America	Colorado River (Pacific Ocean)
--------------------------	--------------------------------

#### Latitude

33.435867

#### Longitude

-112.049313

#### Located in area with water stress

Yes

#### Primary power generation source for your electricity generation at this facility

<Not Applicable>

#### Oil & gas sector business division

<Not Applicable>

#### Total water withdrawals at this facility (megaliters/year)

86.47

#### Comparison of total withdrawals with previous reporting year

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

86.47

**Total water discharges at this facility (megaliters/year)**

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

**Discharges to brackish surface water/seawater**

**Discharges to groundwater**

**Discharges to third party destinations**

**Total water consumption at this facility (megaliters/year)**

86.47

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Our airport location in Phoenix, AZ location is currently identified as having "extremely high" water stress using the WRI Aqueduct Tool. This site has been prioritized for water risk based on total water withdrawals compared to other U.S. operating locations. At this location, we operate a water saving carwash system that recycle and reuse up to 80% of their wastewater.

---

**Facility reference number**

Facility 2

**Facility name (optional)**

Denver, Co

**Country/Area & River basin**

United States of America	Mississippi River
--------------------------	-------------------

**Latitude**

39.836151

**Longitude**

-104.692819

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

34.99

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

34.99

**Total water discharges at this facility (megaliters/year)**

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

**Discharges to brackish surface water/seawater**

**Discharges to groundwater**

**Discharges to third party destinations**

**Total water consumption at this facility (megaliters/year)**

34.99

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Our airport location in Denver, CO is currently identified as having "extremely high" water stress using the WRI Aqueduct Tool. This site has been prioritized for water risk based on total water withdrawals compared to other U.S. operating locations. At this location, we operate a water saving carwash system that recycle and reuse up to 80% of their wastewater.

**Facility reference number**

Facility 3

**Facility name (optional)**

Avis Los Angeles Airport, CA

**Country/Area & River basin**

United States of America	Colorado River (Pacific Ocean)
--------------------------	--------------------------------

**Latitude**

33.951797

**Longitude**

-118.38697

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

24.84

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

24.84

**Total water discharges at this facility (megaliters/year)**

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

**Discharges to brackish surface water/seawater**

**Discharges to groundwater**

**Discharges to third party destinations**

**Total water consumption at this facility (megaliters/year)**

24.84

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Our Avis Los Angeles Airport, CA location is currently identified as having "extremely high" water stress using the WRI Aqueduct Tool. This site has been prioritized for water risk based on total water withdrawals compared to other U.S. operating locations. At this location, we operate a water saving carwash system that recycle and reuse up to 80% of their wastewater.

**Facility reference number**

Facility 4

**Facility name (optional)**

Budget Los Angeles Airport, CA

**Country/Area & River basin**

United States of America	Colorado River (Pacific Ocean)
--------------------------	--------------------------------

**Latitude**

33.94762

**Longitude**

-118.38649

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

14.59

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

14.59

**Total water discharges at this facility (megaliters/year)**

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

**Discharges to brackish surface water/seawater**

**Discharges to groundwater**

**Discharges to third party destinations**

**Total water consumption at this facility (megaliters/year)**

14.59

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Our Budget Los Angeles Airport, CA location is currently identified as having "extremely high" water stress using the WRI Aqueduct Tool. This site has been prioritized for water risk based on total water withdrawals compared to other U.S. operating locations. At this location, we operate a water saving carwash system that recycle and reuse up to 80% of their wastewater.

**Facility reference number**

Facility 5

**Facility name (optional)**

Budget West Palm Beach Airport, FL

**Country/Area & River basin**

United States of America	Other, please specify (Gulf of Mexico, North Atlantic Coast)
--------------------------	--

**Latitude**

26.691373

**Longitude**

-80.082526

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

25.33

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

25.33

**Total water discharges at this facility (megaliters/year)**

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

**Discharges to brackish surface water/seawater**

**Discharges to groundwater**

**Discharges to third party destinations**

**Total water consumption at this facility (megaliters/year)**

25.33

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Our Budget W. Palm Beach Airport, FL location is currently identified as having "high" water stress using the WRI Aqueduct Tool. This site has been prioritized for water risk based on total water withdrawals compared to other U.S. operating locations. At this location, we operate a water saving carwash system that recycle and reuse up to 80% of their wastewater.

**Facility reference number**

Facility 6

**Facility name (optional)**

Avis West Palm Beach Airport, FL

**Country/Area & River basin**

United States of America	Other, please specify (Gulf of Mexico, North Atlantic Coast)
--------------------------	--

**Latitude**

26.710073

**Longitude**

-80.152461

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

17.06

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

17.06

**Total water discharges at this facility (megaliters/year)**

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

**Discharges to brackish surface water/seawater**

**Discharges to groundwater**

**Discharges to third party destinations**

**Total water consumption at this facility (megaliters/year)**

17.06

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Our Avis West Palm Beach Airport, FL location is currently identified as having "high" water stress using the WRI Aqueduct Tool. This site has been prioritized for water risk based on total water withdrawals compared to other U.S. operating locations. At this location, we operate a water saving carwash system that recycle and reuse up to 80% of their wastewater.

---

W5.1a

---

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

**Water withdrawals – total volumes**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water withdrawals – volume by source**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water withdrawals – quality**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water discharges – total volumes**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water discharges – volume by destination**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water discharges – volume by treatment method**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water discharge quality – quality by standard effluent parameters**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water discharge quality – temperature**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water consumption – total volume**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

**Water recycled/reused**

% verified  
Not verified

What standard and methodology was used?  
<Not Applicable>

---

**W6. Governance**

---

**W6.1**

---

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

**W6.1a**

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Company water targets and goals Commitments beyond regulatory compliance Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Other, please specify (Monitoring and management of water performance )	Avis Budget Group's Environmental Policy describes our commitment to water stewardship. This policy is publicly available at: <a href="https://avisbudgetgroup.com/wp-content/uploads/2019/06/ABG-Environmental-Policy-2019.pdf">https://avisbudgetgroup.com/wp-content/uploads/2019/06/ABG-Environmental-Policy-2019.pdf</a> . We believe that access to clean, potable water is a fundamental right for all. We are focused on being responsible, efficient stewards of local water resources. To minimize our water footprint, we are targeting our greatest impacts, which includes consumption and wastewater associated with cleaning and maintaining our vehicles. We are also prioritizing reductions and efficiency measures at our operating locations with the highest level of water stress and scarcity risks. (691 of 2,500 characters)

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Board-level committee	The highest level of responsibility within Avis Budget Group Corporation for the management of water-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 water-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 water-related issues is provided by our Audit Committee, which is tasked with oversight for (1) and (2) the steps management has undertaken to control these risks.

**W6.2b**

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Other, please specify (monitoring policies and procedures )	The Corporate Governance Committee of our Board of Directors is tasked with oversight of specific ESG-related risks including water-related risks. 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 application laws and regulations. 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 business continuity and strategic initiatives (including sustainable mobility and related ESG strategies).

**W6.3**

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify (Chief Human Resources Officer (CHRO))

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Our CHRO is responsible for (1) engaging our Board of Directors, leadership team and relevant departments within our Company to advance our water initiatives and the management of substantive water-related risks and opportunities; (2) overseeing the execution of 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. Our CHRO also serves as the executive sponsor of Avis Budget Group’s overarching corporate social responsibility platform. Examples of current processes whereby our CHRO monitors water-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.

**Name of the position(s) and/or committee(s)**

Other, please specify (Senior Vice President, General Counsel & Corporate Secretary (SVP))

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Our SVP is responsible for (1) engaging our Board of Directors, leadership team and relevant departments within our Company to advance our water initiatives and the management of substantive water-related risks and opportunities; (2) overseeing the execution of 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. Our SVP also serves as the executive sponsor of Avis Budget Group’s overarching corporate social responsibility platform. Examples of current processes whereby our SVP monitors water-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.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Progress toward Avis Budget Group’s corporate ESG strategy is directly linked to compensation for our Chief Human Resources Officer and Senior Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary. Progress toward Avis Budget Group’s ESG 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.

**W6.4a**

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO)	Reduction of water withdrawals Other, please specify (Water-related strategies and policies )	Progress toward Avis Budget Group's ESG 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. Part of the annual objectives for our Chief Human Resources Officer and Senior Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary is to oversee and advance our strategy and communication of ABG's environmental initiatives and overarching corporate ESG platform. This also includes progress towards our water and climate-related strategies.
Non-monetary reward	Other, please specify (Senior Vice President, General Counsel & Corporate Secretary)	Reduction of water withdrawals Other, please specify (Water-related strategies and policies )	Progress toward Avis Budget Group's ESG 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. Part of the annual objectives for our Chief Human Resources Officer and Senior Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary is to oversee and advance our strategy and communication of ABG's environmental initiatives and overarching corporate ESG platform. This also includes progress towards our water and climate-related strategies.

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, trade associations

**W6.5a**

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Our processes to ensure that indirect activities are consistent with our overall water 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 water strategy. (3) Additionally, we utilize our annual disclosures to the CDP Water Security 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 ESG strategy.

**W6.6**

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

ABG 10-k report.pdf

Page 28 ("Risks Related to Legal and Regulatory Matters")

**W7. Business strategy**

**W7.1**

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	ISSUES INCORPORATED: Avis Budget Group considers the management of water-related risks and opportunities, including access water to support our operations, throughout our long-term strategic planning. INFLUENCE ON 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. Water-related issues have directly influenced our business strategy in the following ways: (1) as part of strategy, it is important to deliver long-term sustainable value for our stakeholders and (2) implementing sustainability practices will also help strengthen our brand reputation. As such, we actively report on our water-related performance and evaluate opportunities to communicate our ESG strategy to our stakeholders.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	ISSUES INCORPORATED: We aim to deliver sustainable, responsible growth to our shareholders, demonstrating our commitment to best-in-class environmental, social and governance (ESG) practices. As such, Avis Budget Group considers water-related issues, extreme weather events and associated impacts (including flooding) and other physical risks (including droughts). INFLUENCE ON PLANNING: We remain committed to increasing water efficiency measures at our operating locations. This includes evaluating opportunities for waterless cleaning processes. Additionally, we set a provisional water reduction target, which aims to reduce our water footprint by 30% by 2030, prioritizing water stressed locations.
Financial planning	Yes, water-related issues are integrated	11-15	ISSUES INCORPORATED: The most significant risk identified as having a potential impact to our revenues is related to reputation, as our stakeholders are increasingly interested in ESG-related issues. The management of these risks also presents the potential opportunity to increase revenue through competitive differentiation. INFLUENCE ON PLANNING: We remain committed to increasing water efficiency measures at our operating locations. This includes evaluating opportunities for waterless cleaning processes. Additionally, we set a provisional water reduction target, which aims to reduce our water footprint by 30% by 2030, prioritizing water stressed locations. Using the World Resources Institute's Aqueduct Tool we also conducted a water risk assessment of our U.S. operating locations. The results from the assessment informs of how we prioritize our water efficiency at these locations in areas with high water stress.

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

0

**Anticipated forward trend for CAPEX (+/- % change)**

10

**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

10

**Please explain**

In 2020, due to the impacts of COVID 19 in our Company, our water-related capital expenditure and operating expenditure remained the same. We anticipate to increase and continue to implement water-related capital expenditures and operating expenditures in the coming years to support our water reduction strategy.

**W7.3**

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	Use of climate-related scenario analysis	Comment
Row 1	Yes	CLIMATE-RELATED SCENARIO ANALYSIS: Avis Budget Group identified and evaluated two climate-related scenarios based on a 2-degree scenario and 4-degree scenario. Additionally, our 2030 Scope 1 and 2 emissions reduction 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. WATER-RELATED OUTCOMES: Our provisional 2030 water efficiency target is complementary to our emission reduction target, as we aim to mitigate physical risks, including droughts. We also consider the nexus between current and future water-related risks within our climate-related strategy.

**W7.3a**

**(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?**

Yes

**W7.3b**

**(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?**

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	2DS	Avis Budget Group considers a wide range of ESG-related issues, including physical risks, such as flooding and drought. We consider the potential for changes in physical climate parameters to present a broader series of challenges, such as those relating to (1) extreme weather events, (2) decreases in water supply, and (3) heat exposure. In the short-term, extreme weather events have been prioritized 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. To prioritize our greatest physical and transition risks, we consider the risks that are most applicable to our industry, which includes reputational risks. We also consider impacts across our value chain.	Our company response to possible water-related outcomes includes the (1) establishment of a 2030 water reduction target, (2) initiatives to increase water efficiency, and (3) investments to maintain and continue to enhance our business continuity program. Our program's focus is on preparing and protecting our people, property, and infrastructure. We utilize an "all hands-on deck" approach within our incident management and command structure to ensure that we respond as rapidly and effectively as possible. In 2021, we also conducted our first water risk assessment of Avis Budget Group's U.S. operating locations. We assessed current water-related risks across numerous dimensions, including water stress, water consumption and flooding and drought risks. Avis Budget Group will also continue to evaluate opportunities to increase water efficiencies and prioritize operating locations with the highest water stress.

**W7.4**

**(W7.4) Does your company use an internal price on water?**

Row 1

**Does your company use an internal price on water?**

No, and we do not anticipate doing so within the next two years

**Please explain**

Compared to industrial and agricultural users, Avis Budget Group is not considered a water-intensive company, therefore we do not expect to introduce an internal price of carbon in the next two years. However, we will continue monitoring climate- and water-related risks, including the intersectionality of water access, water quality, climate change and human health. In 2021, we will begin prioritizing reductions and efficiency measures at our operating locations with the highest level of water stress and scarcity risks.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals	Targets are monitored at the corporate level	Our 2030 provisional target is to reduce our company's water footprint by 30%, prioritizing water stressed locations. Avis Budget Group's Vice President of Global Organizational Development and Sustainability Manager actively monitors our performance against this target at the corporate level. To execute on this goal, we will evaluate opportunities that have the greatest impact, which includes consumption and wastewater associated with cleaning and maintaining our vehicles. We will also prioritize reductions and efficiency measures at our operating locations with the highest level of water stress and scarcity risks.

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

Our current 2030 target is to reduce our company's water footprint by 30%, prioritizing water stressed locations

**Quantitative metric**

Absolute reduction in total water withdrawals

**Baseline year**

2018

**Start year**

2020

**Target year**

2030

**% of target achieved**

28

**Please explain**

This target uses a baseline year of 2018. Due to the impacts of COVID-19 on business, including the decreased demand for travel, we have reduced water consumption by 28% since 2018. To achieve this target, we will continue to prioritize reductions and efficiency measures at our operating locations with the highest level of water stress and scarcity risks. This also includes focusing our water efficiency measures associated with our largest water consumption processes, including cleaning and maintaining our vehicles.

**W9. Verification**

**W9.1**

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, but we are actively considering verifying within the next two years

**W10. Sign off**

**W-FI**

**(W-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.**

**W10.1**

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

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

**W10.2**

**(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

Yes

**SW. Supply chain module**

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Please select	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

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	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Customers	Public	<Not Applicable>

Please confirm below

I have read and accept the applicable Terms