

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 totalled over 590,000 vehicles in fourth quarter 2021. We completed more than 28 million vehicle rental transactions worldwide and generated total revenues of \$9.3 billion during 2021. Our brands and mobility solutions have an extended global reach with nearly 10,400 rental locations throughout the world, including approximately 4,000 locations operated by our licensees. Of our approximately 21,000 employees, approximately 7,400 were employed in our international segment.

In 2021, we generated approximately 66% 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 4,000 locations operated by our licensees. We believe the range of options from our diversified brands enjoy complementary demand patterns with mid-week commercial demand balanced by weekend leisure demand.

During 2021, the impact to our business from the COVID-19 pandemic subsided, as global travel demand improved.

FORWARD LOOKING STATEMENTS: Certain statements contained in this CDP 2022 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.

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 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

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. We plan to report water withdrawals for international locations within the next two years.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	CAR

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. Our suppliers and their workers also require access to quality freshwater for production, sanitation and health purposes. We do not expect the future water dependency of sufficient amounts of good quality freshwater available for use to differ for either direct or indirect use, as we do not expect our business requirements to change.
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, as our suppliers may need recycled, brackish and/or produced water to produce items within our supplier chain. Sufficient amounts of recycled, brackish and/or produced water may become even more vital for our business in the future as we aim to increase the use of recycled water in the car wash systems. Sufficient amount of recycled, brackish and/or produced water may become more important as areas of water stress increase, reducing the amount of freshwater available.

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 2021, our data boundary included all of our company-operated U.S. operating locations. This data is monitored on a monthly basis through our utility invoice monitoring system and reported annually in our ESG Report.
Water withdrawals – volumes by source	51-75	In 2021, our primary withdrawal source was municipal water, and our data boundary included all of our company-operated U.S. operating locations. This data is monitored on a monthly basis through our utility invoice monitoring system and reported annually in our ESG Report. 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 relevant	Avis Budget Group does not monitor water withdrawals quality, as it is less relevant for our business because 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; therefore water discharges – volumes by destination are not monitored.
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, is 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. In 2021, our data boundary included all of our company-operated U.S. operating locations. This data is monitored on a monthly basis through our utility invoice monitoring system and reported annually in our ESG Report.
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	1433	Much higher	In 2021, Avis Budget Group's total water withdrawals increased by approximately 70%, as the impacts to our business from the COVID-19 pandemic subsided, and global travel demand improved. In 2021, revenues increased by over 70%, which was the main contributor to the increase in the company's water withdrawals.
Total discharges		Please select	Avis Budget Group does not currently monitor data associated with total water discharges.
Total consumption	1433	Much higher	In 2021, we tracked water consumption in alignment with annual water withdrawals. In 2021, Avis Budget Group's total water withdrawals increased by approximately 70%, as the impacts to our business from the COVID-19 pandemic subsided, and global travel demand improved. In 2021, revenues increased by over 70%, which was the main contributor to the increase in the company's 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	Lower	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 43% 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 2021, 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	1433	Much higher	In 2021, our water withdrawals were primarily based on the use of municipal water at our United States operating facilities. In 2021, Avis Budget Group’s water withdrawal from third-party sources increased by approximately 70% as the impacts to our business from the COVID-19 pandemic subsided, as global travel demand improved. In 2021, revenues increased by over 70%, which was the main contributor to the increase in the company’s water withdrawals.

W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	931300000	1433	6498953.24494068	We continue to increase efficiencies throughout our operations and expect our total water withdrawal to decrease. Beginning in 2019, Spain piloted a Wash and Clean Quick Turn Around process to save water. Returned vehicles under a short-term rental were visually inspected and when considered not dirty enough to go through a cleaning circuit, their interiors are simply dry-cleaned with chemical products for a waterless process. In 2021, this program was deployed across Europe and Asia Pacific.

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 .

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.

Value chain stage

Direct operations

Coverage

Partial

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Annually

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

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

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.

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established 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

Tools on the market

Enterprise risk management

Tools and methods used

COSO Enterprise Risk Management Framework

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholders considered

Customers

Employees

Investors

Local communities

Regulators

Suppliers

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.

Value chain stage

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established 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

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholders considered

Customers

Employees
Investors
Local communities
Regulators
Suppliers

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) 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 updated our water risk assessment which includes 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. Avis Budget Group assesses water availability at the basin level and water quality at the basin level, considering baseline water stress using the WRI Aqueduct tool. We also 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. 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.

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.

STAKEHOLDERS: 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 are also considered in our company's water-related risk assessments. Our employees depend on access to water to clean our rental vehicles.

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 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.

Avis Budget Group considers NGOs in our company's water-related risk assessments. This includes partnering with organizations to support community resilience.

Avis Budget Group considers regulators in our company's water-related risk assessments, specifically in the markets where we operate.

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.

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.

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 our 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 2022 Water Security response, this threshold was approximately \$40 million.

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 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	3	Less than 1%	We have prioritized three operating locations within our data boundary with notable water risk at based on the following factors: (1) located in "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 . One of these facilities are located in California; 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)
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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

We have prioritized three operating locations within our data boundary with notable water risk at based on the following factors: (1) located in "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. One of these facilities are located in California; one of these facilities is located in Arizona; and one of these facilities is located in 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)
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Type of risk & Primary risk driver

Acute physical	Cyclone, hurricane, typhoon
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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 2021, Hurricane Ida had impacts across our locations in the southern U.S. including Louisiana, Mississippi, Alabama, Tennessee, Kentucky and Virginia. 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)

40000000

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 2021 operating expenses (approximately \$40 million) associated with variability in fuel and/or energy costs.

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)
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Type of risk & Primary risk driver

Reputation & markets	Changes in consumer behavior
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Primary potential impact

Reduction in capital availability

Company-specific description

The competitive environment for our industry and Avis Budget Group 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. Increasing attention to climate change, increasing societal expectations on companies to address climate change, and potential consumer and customer use of substitutes to our products may result in reduced demand for our products and reduced profits. If we are not adequately prepared to meet consumer demand for electric, hybrid and autonomous vehicles as such demand develops, our financial condition or results of operations could be adversely impacted. For example, at Avis Budget Group, some of our corporate customers are also increasingly interested in sustainability and reducing their environmental impacts 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 2021, commercial customers represented approximately 44% of revenues within our Company. 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. This the high level of competition in the mobility industry, including from new companies or technology, and the impact such competition may have on pricing and rental volume.

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)

45000000

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 0.5% decrease in 2021 revenue associated with changing customer behavior and increased interest in low-carbon products and services (approximately \$45 million).

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, select locations across Spain piloted a Wash and Clean Quick Turn Around (QTA) process to save water. Returned vehicles under a short-term rental were visually inspected and when considered not dirty enough to go through a cleaning circuit, their interiors are simply dry-cleaned with chemical products for a waterless process. This streamlines the process and increases the speed at which we can redeploy cars. In 2021, this Wash and Clean QTA program will be deployed across Europe and Asia Pacific. Additionally, in 2021, we have developed a 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, specifically where our locations also include car washes. 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, Avis Budget group set a 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, select locations across Spain piloted a Wash and Clean Quick Turn Around (QTA) process to save water. Returned vehicles under a short-term rental were visually inspected and when considered not dirty enough to go through a cleaning circuit, their interiors are simply dry-cleaned with chemical products for a waterless process. This streamlines the process and increases the speed at which we can redeploy cars. 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)

45000000

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 0.5% increase in 2021 revenue due to our partnerships and innovations to support efficiency gains (approximately \$45 million)

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)

65.58

Comparison of total withdrawals with previous reporting year

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

65.58

Total water discharges at this facility (megaliters/year)

65.58

Comparison of total discharges with previous reporting year

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)

Comparison of total consumption with previous reporting year

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)

91.47

Comparison of total withdrawals with previous reporting year

Higher

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

91.47

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Higher

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)

91.47

Comparison of total consumption with previous reporting year

Higher

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. Total water consumption at this facility increased in 2021, as impacts to our business from the COVID-19 pandemic subsided, as global travel demand improved.

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)

52.64

Comparison of total withdrawals with previous reporting year

Higher

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

52.64

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

52.64

Comparison of total consumption with previous reporting year

Higher

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. Total water consumption at this facility increased in 2021, as impacts to our business from the COVID-19 pandemic subsided, as global travel demand improved.

W5.1a

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

Water withdrawals – total volumes

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

We do not have currently have data associated with the water withdrawals third-party assured.

Water withdrawals – volume by source

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

We do not have currently have data associated with the water withdrawals third-party assured.

Water withdrawals – quality by standard water quality parameters

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

We do not have currently have data associated with the quality of withdrawals third-party assured.

Water discharges – total volumes

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

We do not have currently have data associated with water discharges third-party assured.

Water discharges – volume by destination

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Water discharges are believed to be the returned to the source, namely sewers for our withdrawals of municipal water. This data is not third-party assured.

Water discharges – volume by final treatment level

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Water discharges – volume by treatment method are only applicable to local municipalities once our water withdrawals are returned to the source, namely sewers for our withdrawals of municipal water. This data is not third-party assured.

Water discharges – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Water discharge quality – quality by standard effluent parameters is handled by local municipalities once our water withdrawals are returned to the source. This data is not third-party assured.

Water consumption – total volume

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
We do not have currently have data associated with water consumption third-party assured.

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 company-wide commitment to water stewardship. This policy is publicly available at: https://avisbudgetgroup.com/wp-content/uploads/2019/06/ABG-Environmental-Policy-2019.pdf . 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. 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. We have set a goal to reduce our water footprint by 30%, prioritizing water stressed locations.

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. An example of a water-related decision that the Board-level reviewed was the setting of the company's water reduction target. 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).

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate priority	Avis Budget Group will continue to evaluate Board qualifications, attributes, skills and experience including building competence on water-related issues.

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

Assessing water-related risks and opportunities
 Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

RESPONSIBILITIES: Our Chief Human Resources Officer is responsible for (1) engaging our Board of Directors, leadership team and relevant departments to advance our environmental 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. MONITORING OF WATER-RELATED ISSUES: Examples of current processes whereby our Chief Human Resources Officer 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) and (2) measuring and tracking our global operational environmental footprint.

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

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

Responsibility

Assessing water-related risks and opportunities
 Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

RESPONSIBILITIES: Avis Budget Group's Senior Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary 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 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. MONITORING OF WATER-RELATED ISSUES: Examples of current processes whereby our Chief Human Resources Officer 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) and (2) measuring and tracking our global operational environmental footprint.

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

Sustainability committee

Responsibility

Assessing water-related risks and opportunities
 Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

RESPONSIBILITIES: Avis Budget Group's ESG Steering Committee, includes a Water & Waste Steering Committee. This Committee is responsible for monitoring water-related impacts and performance. This includes Avis Budget Group's water consumption metrics, and progress against our goals and targets. MONITORING OF WATER-RELATED ISSUES: Examples of processes whereby our Water & Waste Steering Committee 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 water footprint; and (3) continuing to enhance our water strategy, including efficiency measures.

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. If any inconsistencies are found, Avis Budget Group will further investigate these indirect activities.

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)

2022 ABG Annual.pdf

Page 26 ("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 INTEGRATED: 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 of at least 11-15 years. 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. This includes reporting water metrics and risks and opportunities.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	ISSUES INTEGRATED: 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) throughout our long-term strategic planning of at least 11-15 years. INFLUENCE ON PLANNING: We remain committed to increasing water efficiency measures at our operating locations. This includes evaluating opportunities for waterless cleaning processes at our car wash locations. Additionally, we set a 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 INTEGRATED: 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 the company's 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 conduct an annual water risk assessment of our U.S. operating locations. The result from the assessment informs of how we prioritize our water efficiency at these locations in areas with high water stress and future water-related risks.

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)

100

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

0

Water-related OPEX (+/- % change)

22

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

1

Please explain

Water-related CAPEX increased by 100% from 2020 to 2021. In 2020, there were no water-related capital expenditures implemented as a result of the COVID-19. In 2021, Avis Budget Group invested approximately \$4 million in water-related projects. Water-related OPEX increased by 22% from 2020 to 2021 following the increased demand in global travel in 2021, which approached pre-pandemic levels. In 2021, water-related OPEX increased as we saw an increase in car rentals, which contributed to an increase in the use of our car washes.

W7.3

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

	Use of 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) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Avis Budget Group's climate-related scenarios analysis utilized the TCFD risk and opportunity categories. This includes the transition scenario – IEA 2DS and physical scenario – RCP2.6	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.	As a result of water related outcomes, we have set a water reduction target to minimize water footprint by 30% by 2030 prioritizing water stressed locations. We conduct an annual water risk assessment to identify locations in high or extremely high baseline water stress. We invest in water efficiency measures to support the reduction of our water footprint. The anticipated timescale for our response is 8 to 10 years.

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.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	Low water impact products and services are less relevant to our business model. We will continue to evaluate opportunities to reduce water consumption at the car washes used by the company.

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 ESG Director actively monitors our performance against this target at the corporate level. The Board of Directors is informed on progress towards our target twice a year. To execute on this goal, we will evaluate opportunities that have the greatest impact, which includes water 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

0

Please explain

In 2021, total water consumption was 52% higher compared to 2020, reflecting the increase in our business activity. However, our water intensity per revenue decreased by 13% (from 0.000041 to 0.000037). This decrease in intensity was in part due to the water efficiency measures implemented at select locations. During 2021, we invested \$4,000,000 to replace 35 car wash systems across the United States with new car washes that are expected to recycle and reuse at least 80% of the water at these facilities. 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	Director, Global ESG	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)].

No

SW. Supply chain module

SW0.1

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

	Annual revenue
Row 1	

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 understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms