

Norwegian Transparency Act Statement 2022

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1 Background

Avis Budget Group is a signatory to the United Nations Global Compact (as of 2021), becoming the first global US based vehicle rental company to sign up. Through this, we align our operations with the ten core principles in the areas of human rights, labour, environment, and anti-corruption. We are committed to making a positive impact in the world of sustainable transportation. We promote diversity, equity and inclusion within our workforce, consumer base, communities and supply chain and we are committed to maintaining and developing measures to minimise risks to human rights within our business and our supply chain.

This statement applies to Avis Budget Group's Norwegian business and is prepared to fulfil its requirements under the Norwegian Transparency Act and the OECD Guidelines for Multinational Enterprises. It describes measures taken by Avis Budget Group and RAC Norway AS to address human rights impacts for the financial year 1 January – 31 December 2022.

2 Avis Budget Group

2.1 Business structure

Avis Budget Group is a leading global provider of transportation solutions, operating three of the most recognised brands in the industry through Avis, Budget, and Zipcar, together with several other brands well-recognised in their respective markets. Our brands offer a range of options, from car and truck rental to car sharing. We license the use of the Avis, Budget, Zipcar and other brands' trademarks to licensees in areas in which we do not operate directly. On average, our global rental fleet totalled over 600,000 vehicles in fourth quarter 2022. We completed more than 28 million vehicle rental transactions worldwide and generated total revenues of \$12.0 billion during 2022. Our brands and mobility solutions have an extended global reach with nearly 11,000 rental locations throughout the world, including approximately 4,000 locations operated by our licensees. We employ approximately 21,000 people worldwide.

2.2 Location of operations

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.

The Norwegian business sits in our "international" business segment, which provides and licenses the Company's brands to third parties for vehicle rentals and ancillary products and services in Europe, the Middle East, Africa, Asia and Australasia, and operates the Company's car sharing business in certain of these markets.

2.3 Norway

Norway RAC, a wholly owned subsidiary of Avis Budget Group is located at Rengsrudbekken 12, Oslo, Asker, 1383, in Norway. The company is a transport solutions organisation providing car rental services.

2.4 Guidelines and procedures

2.4.1 Human rights policies

Avis Budget Group sets out its approach to human rights in its [Code of Conduct](#), [Third Party Standards of Conduct](#), [Human Rights Policy Statement](#), [Global Health & Safety Policy Statement](#) and [Environmental, Social and Governance Report](#). We also operate under a standard operating procedure for third party due diligence, further explained in 3.

Central to our policy on human rights is the belief that child labour, human trafficking or other illegal, abusive or forced labour practices have no place within our operations or our supply chains anywhere in the world.

Our approach to managing our impacts on human rights are guided by the following frameworks:

- [Universal Declaration on Human Rights](#)
- [International Labour Organisation's Declaration on Fundamental Principles and Rights at Work](#)
- [International Covenant on Civil and Political Rights](#)
- [International Covenant on Economic, Social and Cultural Rights](#)
- [International Labour Organization's core conventions](#)
- [Rio Declaration on Environment and Development](#)
- [United Nations Convention Against Corruption](#)
- [United Nations Sustainable Development Goals](#)

2.4.2 Grievance mechanisms

In our Code of Conduct, we encourage employees and stakeholders to report potential concerns or grievances in relation to ethics or compliance through our Integrity Hotline.

Our Integrity Hotline is available 24 hours a day and is a confidential channel for employees and stakeholders to report serious concerns and complaints. Employees can reach the Integrity Hotline through dedicated phonelines or on the internet. We maintain a non-retaliation policy that prohibits threats of retaliation or other discrimination directly related to any report made by an employee. All reported concerns are investigated, and Avis Budget Group's Audit Committee receives annual reports which contains a summary of any concerns and complaints.

2.4.3 Training

Our Code of Conduct provides that all employees must complete their mandatory training on a [\[...\]](#) basis to help employees understand our policies and procedures and apply the principles to their everyday work.

3 Supply chain due diligence

We recognise that our business has an impact on people, the communities where we operate, and the environment. Fostering sustainable relationships with our business partners, agents, consultants, suppliers, and other third parties is important to our business success. It is part of our standard business practices to select reliable and trustworthy partners according to our Third-Party Standards of Conduct.

While we cannot control all the activities and ultimate compliance of our business partners as they are independent entities, we aim to conduct appropriate diligence including research and analysis of a company or organisation in the selection process to reduce risk and comply with the applicable laws, including laws relating to fundamental human rights and decent working conditions.

Our approach is to offer risk-based screening of our business partners to assess their ability to comply with our Third-Party Standards of Conduct, as well as with applicable laws on corruption and bribery, competition and anti-trust, conflicts of interest, data privacy, and fraud. This screening process is provided in our Third-Party Due Diligence SOP (standard operating procedure).

In-scope business partners under our Third-Party Due Diligence Policy include:

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

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

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

4 Identification and assessment of human rights risks

Whilst we acknowledge that our business can potentially impact all human rights, we have conducted a risk assessment to identify and prioritise our salient human rights. These are the fundamental human rights and working conditions that are at risk of the most severe actual or potential negative impact by Avis Budget Group's business activities and relationships in Norway.

The five salient human rights identified by the assessment are: the right to a sustainable livelihood, safety and environment in the workplace, forced labour, land rights and discrimination.

The business and supply chain areas where there is an elevated risk of impacts on these human rights are: sub-licensee and outsourced business activities, car washing services,

employee and contractor onboarding, international supply of equipment and uniform, activities in the north of Norway near to indigenous communities.

The overall risk of adverse impact on any human rights was found to be **low**. However, we intend to continually assess where Avis Budget Group may have caused or contributed to adverse impacts on fundamental human rights and working conditions in Norway and, if impacts or risk of impacts are found, to implement suitable measures to cease, prevent and mitigate these impacts.

5 Mitigation measures

The measures we have in place to prevent and mitigate potential adverse impacts are:

- We encourage our partners and suppliers to periodically conduct self-evaluations to ensure that they, along with their subcontractors are complying with our human rights standards in the Third-Party Standards of Conduct.
- We follow industry data to ensure all pay and salary reviews are in line with the market in which we operate.
- We have an incident reporting procedure in place in relation to security and health and safety incidents, where any incidents reported generate an investigation with the HSE manager and alert relevant line managers and employees.
- We have a grievance mechanism for employees and stakeholders to report serious concerns and complaints in relation to ethics or compliance.
- We ensure that ISO certifications are required in all commercial contracts we operate.
- We require valid national ID cards from all employees prior to onboarding.

The measures we intend to have in place by the end of the next financial year are:

- To require residency details of new employees prior to employment.
- To contractually require all suppliers, sub-licensees and sub-contractors to follow the same procedure in respect of obtaining national ID cards and residency details from their own employees and sub-contracted employees.
- To contractually require all sub-licensees to commit to our Code of Conduct and all relevant laws relating to fundamental human rights and decent working conditions.
- To contractually require all sub-licensees to complete training on our Code of Conduct.
- To carry out a risk assessment in relation to impact on indigenous communities in the north of Norway.
- To train 100% of our Rental Agents on how to help combat human trafficking.