



# **MODERN SLAVERY STATEMENT**

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PACIFIC REGION

**avis budget** group

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# INTRODUCTION



**This statement, pursuant to the Modern Slavery Act 2018 (Cth), reports on the risks of modern slavery in Avis Budget Group’s operations and supply chains, and actions taken to address those risks during Avis Budget Group’s financial year ended 31 December 2021 (“2021”).**

Avis Budget Group Pacific Operations are a subsidiary of the Avis Budget Group, Inc. which is listed on the NASDAQ, New York. This statement covers the Avis Budget Group entities set out in section 2 of this statement.

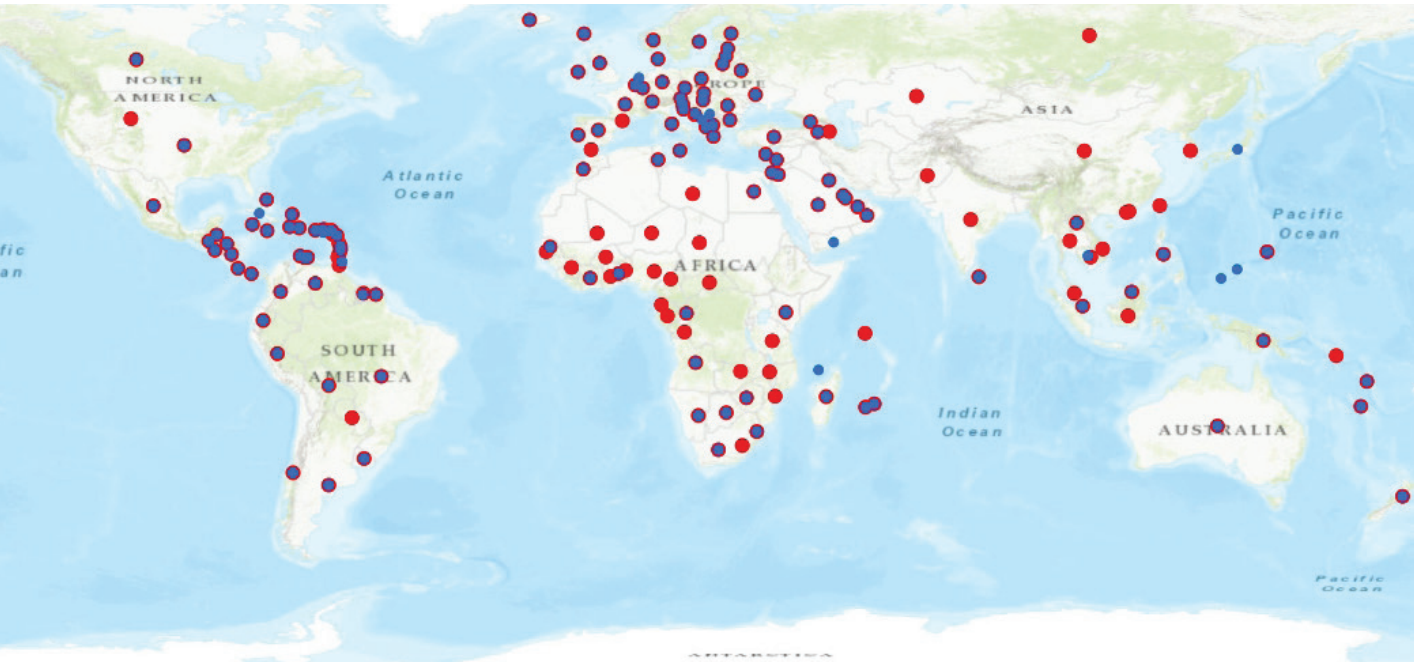
Avis Budget Group is committed to working with its supply chain partners to ensure its business operates lawfully and ethically. We expect our suppliers and business partners to commit to ethical standards of conduct in daily business, including by ensuring that workers are paid fair wages, treated with dignity, and

provided with a safe working environment.

Further information on the Avis Budget Group’s global business, strategy, offerings and approach to sustainability is available at [www.avisbudgetgroup.com](http://www.avisbudgetgroup.com).

Avis Budget Group (US) also reports its economic, social and environmental performance annually in accordance with the Global Reporting Initiative (GRI) Standard as well as the e Sustainable Accounting Standards Board (SASB) Standard.

# ORGANISATION



The Avis Budget Group is a frontrunner in mobility solutions such as passenger and commercial vehicle hire as well as car sharing worldwide. Avis Budget Group employs 20,000+ employees operating out of 11,000 locations in 180 countries with over 600,000 vehicles in its fleet.



**20,000 +**  
Employees



**11,000**  
Locations



**180**  
Countries



**600,000**  
Vehicles



# ORGANISATION (cont.)

In Pacific, Avis Budget Group is headquartered in Sydney, Australia and operates through three separate brands and associated entities in Australia, New Zealand and Singapore.

Avis Budget Group's main business is to supply car and truck rentals to both leisure and corporate customers through our three main brands, Avis, Budget and Apex. With an expansive fleet across Australia, New Zealand and Singapore.



In Pacific, the Avis Budget Group employs over 1460 people and operates out of more than 550 locations comprised of agency operators, franchises and our own premises, across the main brands of Avis, Budget and Apex.

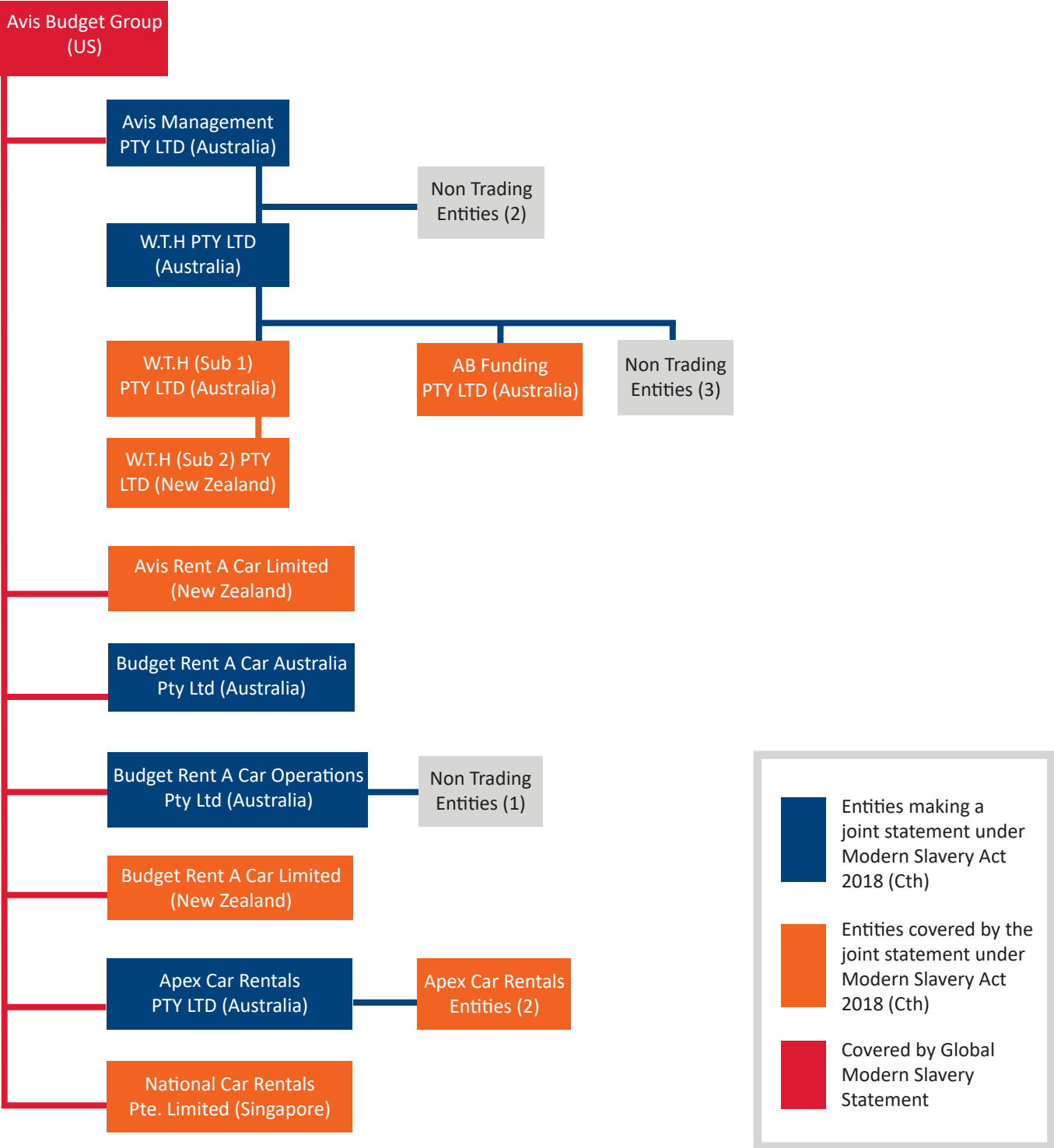
In preparing this statement we have acted collaboratively and in consultation with wholly owned subsidiaries of the Avis Budget Group (US) in the Pacific region. As the entities within the Avis Budget Group in the Pacific region use similar policies and processes and operate in the same sector with many shared suppliers, we will provide a consolidated description of the actions our Group are taking to address modern slavery risks.

This statement is a joint statement made by Avis Management Pty Ltd (ABN 50 001 889 336), W. T. H. Pty Ltd (ABN 15 000 165 855), Budget Rent

A Car Australia Pty Ltd (ABN 89 007 348 021), Budget Rent A Car Operations Pty Ltd (ABN 55 054 583 925) and Apex Car Rentals Pty Ltd (ABN 65 159 894 970) (together "Avis Budget Group"). The following related Australian entities are also part of the Avis Budget Group and are covered by this statement: W. T. H. (Sub 1) Pty Ltd (ABN 86 070 810 703), AB Funding Pty Ltd (ABN 95 125 104 654) and AU Holdco Pty Limited (Australia) (ABN 57 159 895 744).

The following related overseas entities are also covered by this statement: Avis Rent A Car Limited (New Zealand) (NZBN 9429040195810), W. T. H. (Sub 2) Pty Ltd (NZBN 1172297), Budget Rent A Car Limited (New Zealand) (NZBN 9429039997920), Apex Car Rentals (New Zealand) (NZBN 9429030667440) and National Car Rentals (Private) Ltd (Singapore) (Co.Reg. No: 196100157E).

# ORGANISATIONAL STRUCTURE



# SUPPLY CHAIN



**Suppliers are valuable partners for Avis Budget Group. Avis Budget Group works closely with its suppliers to ensure a socially, environmentally and economically responsible value chain.**

Avis Budget Group purchases various goods and services and has a Pacific supply base of more than 5,000 direct suppliers. Our total spend in the Pacific region was approximately 100 million Australian Dollars. About 30% of our Pacific's spend in 2021 was purchased from our 10 largest suppliers.

Suppliers include Fleet related vendors (vehicle and parts manufacturers, vehicle repairs), IT related vendors (telecom/technology) and non-Fleet vendors (Professional Services, Uniforms, Fuels, Call Centre, and various other categories). Avis Budget Group

acknowledges that many suppliers themselves rely on their own supply chain.

The Avis Budget Group is committed to supporting local communities where we operate through local sourcing where feasible, through training and recruitment of local people, and by supporting local economic development.

# ASSESSING THE MODERN SLAVERY RISKS IN OUR SUPPLY CHAINS AND OPERATIONS

**The Avis Budget Group is confident that the risk of modern-day slavery across our businesses and controlled entities is low. As a Group, adherence with employment law and regulations forms part of our DNA and we have no tolerance for non-compliance. We have in place a Speak Up Hotline, 3rd-Party Code of Conduct and several People and Culture policies that support compliance more broadly. Details of our policies can be found in section 5 of this statement.**

The Avis Budget Group will continue to monitor its Supply Chain as well as research and data available to identify any change in the identified modern slavery risks. Our partners and their Supply Chains are dynamic by nature, and we will endeavour to keep abreast of new and emerging risks.

*Initiatives launched in 2021 to address the risks of modern slavery in our supply chains.*

## 1. Training

In the Pacific region, the Avis Budget Group has introduced a specific modern slavery policy which outlines our approach to identifying and responding to risks of modern slavery practices within our supply chains and operations. All of Avis Budget Group's personnel, suppliers and business partners must read, understand, and comply with this policy.

Since introduction of specific modern slavery compliance training in 2021, 81.3% of our workforce have completed it. This include 100% of Avis Budget Group's Pacific Senior Leadership Team. Mandatory training courses for new employees as part of their induction process.

The intention is to roll out further targeted training on the modern slavery risks to Senior Executive's during 2022.

## 2. Standard Contract Updates

Procurement contract templates for the region have been updated and now contain a specific clause with respect to compliance with our obligations under modern slavery legislation. Existing long- term contracts will be updated as they come for renewal.

## 3. Risk-Based Due Diligence

The Avis Budget group has started to review the way it conducts Ethical Due Diligence prior to engaging with suppliers. The aim of this review is to implement a process considering the perceived initial risk associated with a number of factors. The main factors considered are the types of Industry, as well as the associated Supply Chain locations.

Specific and additional due diligence steps will be taken for the partners that fall into the higher risks profiles, ranging from specific questionnaire's to specific contractual requirements for Supply Chain certification to recognised ethical standards (e.g. SMETA or Bsci).

	<b>Industry</b> Industry has been reported as having a high risk of modern slavery
	<b>Supply Chain Locations</b> The Goods/Services procured are produced using Supply Chains that are established in countries identified as having a high risk of modern slavery



# ASSESSING THE MODERN SLAVERY RISKS IN OUR SUPPLY CHAINS AND OPERATIONS (cont.)

As a result of the above initiatives, we are currently working closely with the following type of Partners:

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## 1. Uniform Provider

*Perceived Risk:* The Avis Budget Group sources uniforms for its ANZ workforce through a preferred Australian provider. This has been identified as carrying high risks of modern slavery due to the locations of the associated Supply Chains. In addition, the clothing industry has received a significant amount of negative publicity in regards to poor labour conditions and modern slavery practices.

*Risk Mitigation:* A change in Uniforms provider has offered us with the opportunity to partner with an organisation that is committed to Ethical behaviours and to fighting modern slavery. In addition to specific Policies in place, our partner works exclusively with suppliers that can demonstrate adherence to Ethical Standards through a certification such as SMETA. This requirement is extended to their Tier 3 suppliers with a view to go to Tier 4 suppliers in the near future.

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## 2. Call Centre Provider

*Perceived Risk:* The Avis Budget group maintain Call Centers in several countries both in-house and outsourced, including outside of ANZ. This has been identified as carrying medium to high risks of modern slavery due to the locations of the Supply Chains.

*Risk Mitigation:* The outsourcing partner used is a reputable Australian organisation committed to fighting modern slavery practice. Our partner falls under the Modern Slavery Act 2018 (Cth) and publish its own Modern Slavery Statement on an annual basis which highlight the extend of its actions. The Avis Budget Group also ensures regular visits to the offshore call centre by dedicated personnel.

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## 3. Labour Providers

*Perceived Risk:* The Avis Budget Group uses a number of labour providers across ANZ to supplement its workforce during time of high demand. This has been identified as carrying medium risks of modern slavery due to the type of industry. Labour Hire may not carry high risk per se, however controls needs to be in place to ensure hire labour is not put in unfair positions.

*Risk Mitigation:* The Avis Budget Group is currently reviewing its labour provider dedicated due diligence and contractual framework. Current providers are long term partners and arrangements will be reviewed shortly.

# GOVERNANCE APPROACH

Avis Budget Group adheres to several global policies in place that are intended to promote ethical and legally compliant business conduct as well as mitigate modern slavery risks in our supply chain. These policies demonstrate our organisation’s commitment to preventing violations of human rights such as modern forms of slavery in our business and in our supply chain. Below are descriptions of each of these relevant policies as they apply to Avis Budget Group.

Policy	Purpose	Scope
 <p data-bbox="240 954 443 987">Code of Conduct</p>	<p data-bbox="560 902 1070 1003">Defines the expectations we have with regard to how our employees behave internally and externally.</p>	<p data-bbox="1126 902 1337 936">All Group entities</p>
 <p data-bbox="240 1171 488 1234">Human Rights Policy Statement</p>	<p data-bbox="560 1115 1070 1216">Demonstrates our respect for fundamental human rights and supports global efforts to protect them.</p>	<p data-bbox="1126 1115 1337 1149">All Group entities</p>
 <p data-bbox="240 1417 496 1451">Whistleblower Policy</p>	<p data-bbox="560 1361 1070 1496">Outlines the standards and procedures by which Avis Budget Group’s employees should report instances of non-ethical behaviours.</p>	<p data-bbox="1126 1361 1337 1395">All Group entities</p>
 <p data-bbox="240 1653 501 1715">Third Party Standards of Conduct</p>	<p data-bbox="560 1597 1046 1765">Represent Avis Budget Group’s commitment to foster sustainable relationships with our business partners. This standard summarise’s our expectation in regards to:</p> <ul data-bbox="560 1776 1015 1977" style="list-style-type: none"> <li data-bbox="560 1776 1015 1809">• Compliance with Laws &amp; regulations</li> <li data-bbox="560 1809 890 1843">• Labour and Human Rights</li> <li data-bbox="560 1843 767 1877">• Health &amp; Safety</li> <li data-bbox="560 1877 743 1910">• Sustainability</li> <li data-bbox="560 1910 651 1944">• Ethics</li> <li data-bbox="560 1944 906 1977">• Management Commitment</li> </ul>	<p data-bbox="1126 1597 1337 1630">External Partners</p>

# FINALISATION



This statement was approved by Avis Budget Group's Board of Directors on 30 June 2022.

Tom Mooney

Managing Director, Pacific