

## **Corporate Social Responsibility Report**

Avis is the leading car rental Group in Europe, Africa, the Middle East and Asia, and our '*We try harder.*' philosophy has led to a number of industry world firsts in areas where we can make the most difference.

Our corporate beliefs and values incorporating our environmental, social and ethical policies are publicly available and we ensure that any potential opportunities from and risks to Avis are regularly monitored. The Group Personnel & Corporate Affairs Director has responsibility for corporate social responsibility, supported by the country managing directors.

With the largest private fleet of cars in Europe, and a significant number of operational locations, we have evaluated the environmental impact of our business and taken action to deal with it. Furthermore, a number of social programmes aim to improve the communities in which we operate and our ethical policies are intrinsic to our employee policies and supplier contracts.

### **Environmental policy**

As market leader in car rental we take our environmental responsibility seriously. Avis is making a real difference to the world in which we live and leading the world's travel and transport industry with our new 'Caring for our Climate' campaign. With the support of Future Forests, the international environmental consultancy, we have identified the carbon emission levels we produce and what we can do to offset and reduce these over time.

Avis has implemented a market-leading three point plan to reduce carbon emissions:

- becoming carbon neutral for all our European operations,
- setting a plan to reduce CO<sub>2</sub> emissions from these operations from 2003 onwards, and
- enabling and encouraging customers to offset the CO<sub>2</sub> from their car rental.

Avis uses an annual reporting process to assess energy usage and waste from the European operations. The Edinburgh Centre for Carbon Management calculates how many trees need to be planted to offset the CO<sub>2</sub> emitted. Just under 20,000 tonnes of CO<sub>2</sub> are emitted by our European operations, with over 50% from electrical sources. To offset these emissions, over 70,000 trees had been planted on behalf of Avis, its staff and customers in 26 public access forests by the end of 2002.

Education is a key part of the programme. We have developed an *environmental driving code* for customers to reduce the amount of fuel used and, in turn, the CO<sub>2</sub> impact on global warming. Employees are also being educated with a number of initiatives to reduce the amount of energy used in our operations. A review of lighting, waste, electrical items such as computers and printers and usage of other energy sources is under way through an environmental committee.

Our fleet is changed approximately every six months, ensuring that vehicles are at the optimum level of efficiency. Over 40 checks between each rental ensures the vehicles are well maintained. Since 1993, a typical Avis rental car has improved fuel consumption by 15% and emissions now achieve the highest European standard - Euro 4 norm. This has been achieved with lighter weight materials, aerodynamics, improved engine technology and efficient transmissions. The growth in the European Commission car-sharing programme as part of the integrated transport policy, has led to the launch of Urbigo in the UK. It is a pay-by-the-hour car-sharing scheme, which research

shows could replace up to five privately-owned vehicles, thereby reducing congestion and pollution from unnecessary car journeys as people combine their urban travel with public transport.

Our external environmental accreditation includes a rating of A- from the Safety and Environmental Risk Management Rating Agency, compared to the transport industry average BBB, and we are a member of the FTSE4Good index, which guides investors towards corporately responsible organisations. Avis in Sweden has achieved eco ISO14001 standard and the Group environmental committee is reviewing the operational activities of the rest of the business in line with this standard. The Company has recently been awarded a major commendation for Business Commitment to the Environment.

Avis is a member of the World Travel and Tourism Council, and Green Globe, the travel industry's environmental consultancy. The WTTC works with Governments to realise the economic and environmental impacts of travel and tourism,

### **Social policy**

Avis supports a range of community, charitable, sporting and arts activities around the world.

In Europe, Avis supports the UNICEF British Airways Change for Good programme in a number of ways, including special envelopes in rental cars and stations to encourage staff and customers to donate to Unicef, and staff fundraising events.

A large range of country specific programmes are in place to help local community issues. For example, in 2002 Italy supported the rebuilding project in the Molise region following an earthquake during the year. Staff also supported community relief following the major floods in eastern Germany and the Czech Republic, and our French business supports Les Restaurants du Coeur, which provides food, clothes and housing assistance for those in need. Avis South Africa supports a range of wildlife schemes and is a major financial supporter of the World Wildlife Fund. Employees from the Group headquarters are continuing a successful mentoring programme in association with the South East Berkshire Education Business Partnership.

### **Ethical policy**

Honesty, integrity and fairness are the foundation of business ethics for the Group. Avis has an ethical policy relating to employment of staff and the operation of its business within the network of third parties with which it operates. Local regulations on human rights and employment practices are adhered to, ensuring we not only meet the minimum standards but also aim to retain and attract loyal staff to the Group.

### **Employment policies and practices**

The Group aims to ensure an organisation structure and working climate in which both the business and employees grow and develop. Employee satisfaction and people development are two of the six areas of strategic focus for the Group.

The employment policies of the Group embody the principles of diversity and are tailored to meet the local needs of individual countries.

The Group operates non-discriminatory policies and practices in relation to recruitment, development, compensation and advancement opportunities with regard to gender, religion, race,

marital status, age, sexual orientation and disabilities. Avis requires the highest standards of honesty, integrity and fairness in dealings from all employees.

The results of the annual employee survey overall were positive, with overall satisfaction increased to 63% despite the difficult operating environment. Personal job satisfaction and pride in working for Avis remain the most important priorities for employees and both scored very well in the most recent survey.

Areas for improvement, which are being monitored and managed by a cross-functional Employee Satisfaction Group chaired by the Chief Executive and including managing directors from a number of countries and the Group Personnel & Corporate Affairs Director include:

- Personal recognition – new Group-wide of recognition schemes have been launched including the Avis Service Club recognising experienced employees. A ‘We try harder.’ award programme, with nominations for the highest levels of dedication and Spirit of Avis awards comprising Making a Difference for excellent service and Winning Ideas for innovative ideas.
- Pride in service for customers – a range of activities have been launched empowerment programmes, product and service re-design and customer research. An annual ‘We try harder.’ week will be established in 2003 to capture much of this activity and create actions plans for the future.

The Group operates an Avis European Employee Council with representatives from all corporate countries. Representatives and management meet twice a year for an exchange of views and dialogue on subjects of transnational interest. A joint communique of each meeting’s discussions is distributed to all employees.

The Group believes its employment practices encourage employee involvement, continuity and business performance. Approximately 50% of the Group’s employees have more than five years’ service with Avis Europe and many senior executives throughout Europe have been promoted from within the Group. An employee retention and internal succession index were established during 2001 to measure performance on an ongoing basis.

### **Share schemes**

The Group operates a number of share incentive schemes, details of which are set out in the Remuneration Report.