



**SASB
STANDARDS**

Now part of IFRS Foundation

Car Rental & Leasing

Sustainability Accounting Standard

TRANSPORTATION SECTOR

Sustainable Industry Classification System® (SICS®) TR-CR

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12



**IFRS**
Sustainability

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ABOUT THE SASB STANDARDS

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

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INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards (“SASB Standards” or “Industry Standards”), categorised pursuant to the [Sustainable Industry Classification System® \(SICS®\)](#).

SASB Standards include:

- 1. Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.
- 2. Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.
- 3. Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity’s performance for a specific disclosure topic.
- 4. Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.
- 5. Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the [SASB Standards Application Guidance](#) establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the [SASB Conceptual Framework](#) set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in **SICS[®]**. However, companies with substantial business in multiple SICS[®] industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

Entities in this industry rent or lease passenger vehicles to customers. Consumers typically rent vehicles for periods of less than a month, whereas leases may last a year or more. The industry includes car-sharing business models in which rentals are measured hourly and typically include subscription fees. Car rental entities operate out of airport locations, which serve business and leisure travellers, and out of neighbourhood locations, which mostly provide repair-shop and weekend rentals. The industry is concentrated, with several dominant market players, who operate globally using a franchise model. The growth of public transit and ride-sharing services in major metropolitan areas may represent a threat to the long-term profitability of the Car Rental & Leasing industry if customers choose to hail rides or take public transit rather than rent vehicles.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Customer Safety	Percentage of rental fleet vehicles rated by NCAP with an overall 5-star safety rating, by region	Quantitative	Percentage (%)	TR-CR-250a.1
	Number of vehicles recalled ¹	Quantitative	Number	TR-CR-250a.2
Fleet Fuel Economy & Utilisation	Rental day-weighted average rental fleet fuel economy, by region	Quantitative	Mpg, L/km, gCO ₂ /km, km/L	TR-CR-410a.1
	Fleet utilisation rate	Quantitative	Rate	TR-CR-410a.2

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Average vehicle age	Quantitative	Months	TR-CR-000.A
Total available rental days ²	Quantitative	Days	TR-CR-000.B
Average rental fleet size ³	Quantitative	Number of vehicles	TR-CR-000.C

¹ Note to **TR-CR-250a.2** – The disclosure shall include a description of the entity's policy for renting vehicles subject to a recall notice.

² Note to **TR-CR-000.B** – The total number of available rental days is the number of 24-hour periods—or portions thereof—that the entity offered vehicles for rental during the reporting period.

³ Note to **TR-CR-000.C** – The average rental fleet size is the simple average of the maximum number of vehicles available for rental each month during the reporting period.

Customer Safety

Topic Summary

Meeting customer satisfaction standards for the Car Rental & Leasing industry means ensuring vehicles are in proper working condition and customers understand how to safely operate the vehicles. Since rental vehicles accumulate significant mileage compared to private vehicles, frequent maintenance and repair are required, which can be costly. Vehicle recalls are materially significant to the industry because the associated repairs temporarily may reduce entities' available fleet, create customer service issues and decrease the residual value of cars. In addition, if customers are involved in accidents and the car rental entity is found negligent, the entity may face legal fees, impaired brand value and a higher risk profile. Balancing cost savings while ensuring safety can be complex. The franchise model under which car rental and leasing entities operate adds to the complexity, since franchisees separately own and manage their fleets.

Metrics

TR-CR-250a.1. Percentage of rental fleet vehicles rated by NCAP with an overall 5-star safety rating, by region

- 1 The entity shall disclose the percentage of its rental fleet rated by a New Car Assessment Program (NCAP) with an overall 5-star safety rating, by geographical region.
 - 1.1 The percentage shall be calculated as the number of vehicles in its rental fleet rated by an NCAP with an overall 5-star rating divided by the total number of vehicles in its rental fleet rated by an NCAP.
 - 1.2 The scope of the disclosure includes existing vehicles and newly introduced vehicles in the entity's rental fleet that have received a rating by an NCAP, including carry-over vehicles.
 - 1.2.1 Carry-over vehicles are defined as vehicles tested under an NCAP in previous years and the vehicle design remains unchanged and has retained the safety rating.
 - 1.3 The scope of the disclosure includes vehicles available for rent through the entity's franchises.
 - 1.4 The scope of the disclosure excludes vehicles that do not have an applicable NCAP rating.
- 2 The entity shall disclose the percentage by geographical region.
 - 2.1 Geographical regions are defined as the regions for which the entity conducts segment financial reporting and in which vehicles are subject to an NCAP or an applicable jurisdictional equivalent.

TR-CR-250a.2. Number of vehicles recalled

- 1 The entity shall disclose the total number of vehicles in its rental fleet subject to voluntary or involuntary recalls issued during the reporting period.

- 1.1 Voluntary recalls are those initiated by the entity to remove products from the market for safety-related concerns.
- 1.2 Involuntary recalls are those requested or mandated by applicable jurisdictional legal or regulatory authorities when (i) a vehicle or item of vehicle-related equipment does not comply with a governmental vehicle safety standard or (ii) when a safety-related defect in vehicle or vehicle-related equipment is identified.

2 The scope of the disclosure shall include vehicles available for rent through the entity's franchises.

3 The entity may disclose the percentage of recalls that were (a) voluntary and (b) involuntary.

Note to TR-CR-250a.2

- 1 The entity shall describe its policy for renting vehicles subject to a recall notice, including how this policy extends to global and franchise operations.

Fleet Fuel Economy & Utilisation

Topic Summary

By providing fuel-efficient and alternative fuel vehicles, car rental and leasing entities may improve the environmental sustainability of their operations while also achieving financial benefits. Consumer demand for more efficient vehicles is growing, motivated by both environmental stewardship and lower operating costs associated with fuel efficiency. In addition to providing fuel-efficient and low-emission fleets, entities in the industry are adapting to changing vehicle needs by providing car-sharing services. In urban settings, car sharing is an attractive alternative to vehicle ownership that reduces congestion and the environmental impacts associated with private ownership of vehicles. By maximising fleet utilisation rates through car-sharing, entities may improve operational efficiency.

Metrics

TR-CR-410a.1. Rental day-weighted average rental fleet fuel economy, by region

- 1 The entity shall disclose the average fuel economy of its passenger vehicle rental fleet, weighted for the rental days of each vehicle model during the reporting period, by geographic region.
 - 1.1 The average fuel economy shall be calculated as the rental day-weighted harmonic mean of vehicle fuel efficiency.
 - 1.1.1 The harmonic mean is calculated as the reciprocal of the average of the reciprocals.
 - 1.1.2 Rental day weighting is performed by incorporating into calculations a factor for the fraction of total rental days for which each vehicle model accounted.
- 2 The entity shall disclose the average fuel economy of its passenger vehicle rental fleet by geographic region.
 - 2.1 Geographic regions are defined as the regions for which the entity conducts segment financial reporting and which are subject to fleet fuel economy, fuel consumption or emissions standards.
- 3 Disclosure may be provided in different units for each geographic region which may include:
 - 3.1 Grams of CO₂ per kilometre (gCO₂/km) for (1) passenger cars and (2) light commercial vehicles in the European Union
 - 3.2 Litres of petrol per kilometre (L/km) for passenger vehicles in Japan
 - 3.3 Miles per gallon (mpg) for (1) domestic passenger cars, (2) imported passenger cars and (3) light trucks in the US that are subject to Corporate Average Fuel Economy (CAFE) standards, where these vehicle categories are defined in US 49 CFR Part 523
 - 3.4 Kilometres per litre (km/L) for passenger vehicles in New Zealand

- 4 The scope of disclosure shall include all vehicles subject to national passenger vehicle standards for fleet fuel economy, fuel consumption or emissions.
- 5 The entity may disclose fleet fuel economy for other vehicle segments such as:
 - 5.1 Cargo vehicles in Japan
 - 5.2 Heavy-duty vehicles in the US
 - 5.3 Light commercial vehicles in the EU

TR-CR-410a.2. Fleet utilisation rate

- 1 The entity shall disclose its fleet utilisation rate.
 - 1.1 The rate shall be calculated as the total number of rental days divided by the total number of available rental days.
 - 1.1.1 Rental days are defined as the number of 24-hour periods—or portions thereof—that vehicles were rented.
 - 1.1.2 Available rental days are defined as the number of 24-hour periods—or portions thereof—that the entity offered vehicles for rental during the reporting period. This figure shall exclude the time when vehicles were undergoing inspection, cleaning or maintenance, and any time when they were subject to recall.
- 2 The scope of disclosure includes vehicles at all the entity's rental locations, including airport locations, off-airport locations and vehicles in the entity's car-sharing fleet.



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