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Volkswagen Financial Services (UK) Limited

Carbon Reduction Plan

Commitment to achieving Net Zero

Volkswagen Financial Services (UK) is committed to achieving Net Zero emissions by 2050.

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Carbon Reduction Plan

1. Commitment

VWFS UK is committed to achieving Net Zero greenhouse gas emissions by the end of 2050. We will prioritise measurable reduction, transparent data and support for lower-emission mobility.

2. Baseline emissions Footprint

This plan uses 2021 as the baseline.

Baseline Year Emissions: 2021	
Emissions	**Total (tCO2e)**
Scope 1	396
Scope 2	419
Scope 3*	1,098
Total Emissions	1,913

Baseline emissions are a record of the greenhouse gases that have been produced historically and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reductions can be measured.

3. 2024 and 2025 Full Year Emissions Reporting

Reporting Year: 2024	
Emissions	**Total (tCO2e)**
Scope 1	307.4
Scope 2 (market based)	0
Scope 3*	165
Total Emissions	472.4

Reporting Year: 2025	
Emissions	**Total tCO2e**
Scope 1	248.2
Scope 2 (market based)	0
Scope 3*	61.343
Total Emissions	309.543

*** PPN 006 Scope 3:**

Category	Source & Status	Applicability
Cat4: Upstream transportation & distribution	VWFS UK is a financial services organisation and does not manufacture or distribute physical products. Relevant upstream transportation is limited primarily to the delivery of office, IT and other routine operational goods. Based on an assessment of current procurement activities, no material qualifying emissions have been identified within this category. VWFS UK will continue to review the applicability of this category, including relevant third-party supplier arrangements, as part of the ongoing development of its Scope 3 emissions reporting.	No material emissions identified
Cat5: Waste generated in operations	Waste generated from VWFS UK Operations is managed through our contracted waste management arrangements, with a focus on minimising waste and diverting waste from landfill. Scope 3 emissions associated with waste generated in operations are not currently quantified. VWFS UK will develop the data and methodology required to measure and report Category 5 emissions as part of the continued development of its Scope 3 reporting.	Not currently quantified
Cat6: Business Travel: Flights, Rail, Car, Taxi	Business travel emissions include flights, rail, car and taxi travel and are calculated using employee business travel bookings, expenses and mileage data	Reported in Scope 3

Category	Source & Status	Applicability
Cat7: Employee Commuting	The current methodology primarily captures commuting associated with employees using the company fuel-card data. VWFS UK will continue to develop the methodology to improve coverage of other employee commuting modes.	Partially reported in Scope 3 – methodology enhancement required
Cat9: Downstream transportation & distribution	VWFS UK is a financial services organisation and does not undertake downstream transportation and distribution activities falling within this category.	N/A

Supporting Information:

1. Scope 1 emissions are generated from the gas used in the main operational buildings of VWFS in the UK.
2. Scope 2 emissions are generated from the use of electricity in the same UK premises as scope 1 – VWFS UK procures certified renewable electricity for its UK premises. Scope 2 emissions are reported on a market-based basis in accordance with the applicable GHG Protocol methodology.
3. The reported Scope 3 totals include category 6 business travel and the elements of Category 7 employee commuting currently captured through the available methodology. Category 5 is not currently included because emissions have not yet been quantified. Categories 4 and 9 have been assessed as having no material qualifying emissions or as not applicable.
2021 baseline, 2024 and 2025 totals were calculated on the same basis.
4. The reporting period for GHG emissions runs from 1 January to 31 December for each respective year. Conversion factors are from the VWFS AG carbon reporting tool.
5. Business mileage travelled by car/van.
6. Energy usage in building is taken from meter readings at the premises except for one location where the utilities usage is included within the rentals, in this instance an estimate was made based on occupied floor space.
7. Solar panels provide additional supply of energy at VWFS main office building.

4. Emissions Reduction Target

VWFS (UK) Limited is aligned with the Volkswagen AG's ambition to achieve worldwide carbon neutrality by 2050 (Scope 1, 2 and 3) Sustainability | Volkswagen Group - https://www.volkswagen-group.com/en/sustainability-15772

Short term (i.e. next 12 months) and long-term targets/progress against them are reviewed quarterly at the VWFS UK ESG Steering Committee and Climate Risk Committee. This is also reviewed bi-annually and as required by our Board of Management.

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5. 2026 Year End Forecast Position

VWFS UK uses forecast emissions data to monitor progress throughout the reporting year and assess whether current reduction initiatives are expected to deliver the required emissions reductions. Forecast figures are based on actual emissions data available at the time of reporting, combined with projected activity levels and recognised emissions factors. 2026 Forecast data is indicative and will be replaced in any subsequent versions of this plan with validated full-year actual emissions following year-end assurance activities.

Measure	2026 forecast
Scope 1 emissions	264.690 tCO2e
Scope 2 emissions	0.000 tCO2e
Scope 3 emissions	50.536 tCO2e
Total emissions	315.226 tCO2e
Additional Detail	
Gas consumption	1,522.973 MWh
Electricity consumption	2,091.352 MWh
BEV electricity	23.812 MWh
BEV mileage	178,550 km
Flights	251,521 km
Rail	43,816 km

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6. Carbon Reduction – Current Progress/Planned activity

Completed Carbon Reduction Initiatives

- Awarded BREEAM Excellent rated
- High efficiency double glazing
- Sensitive heating and cooling
- LED lighting throughout the site
- Installation of solar panels
- EV chargers available for employees
- Zero waste to landfill policy, waste streaming at source
- Electric vehicle pool cars made available for colleague BEV experience purposes to encourage BEV adoption (removed in June 2026 following increased BEV adoption)
- Skoda e-bikes made available for colleagues travelling between offices and for leisure (removed in June 2026 due to low demand)
- 100% renewable electricity contract
- Introduction of Hybrid working policy - 60% of colleagues time office based to reduce daily commuting
- Funded home EV chargers and employee tree planting to reward tenure
- Development of remote training where possible to replace face to face training
- Introduction of the Volkswagen Group Environmental and Product Compliance Management System
- Introduction of eco labels for catering facilities on-site
- Removal of single use plastic and introduction of reuseable coffee cups in coffee shops
- Introduction of Salary sacrifice arrangements to encourage greater uptake of battery electric vehicles (BEVs) by colleagues and their families, supporting the transition away from internal combustion engine (ICE) vehicles.
- Updated the Travel Policy to embed sustainability considerations within business travel, including guidance on travel modes, vehicle hire and accommodation selection.

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In progress and Planned Carbon Reduction Initiatives

• **Buildings and Energy** – Renewable Electricity and solar remain embedded, gas removal and alternatives are under investigation

• **Workplace Charging** – Increased BEV charging facilities. Delivery is progressing through contract completion.

• **Employee Mobility** – Continue to increase colleague adoption of battery electric vehicles (BEVs) through Salary Sacrifice arrangements, supporting the transition away from Employee Car Ownership scheme (ECOS) and loan scheme, reducing emissions and fuel card usage.

• **Dealers and Suppliers** – Baseline assessment of Carbon Measurement, climate mapping and resilience activity to continue.

• **Capability** – Carbon Literacy facilitator accreditation and package development to continue.

• **Financed Portfolio** – Fuel-mix and average CO2 analysis and regular reporting to be further developed

• **Scope 3 Reporting** - Further develop VWFS UK's Scope 3 reporting during 2027, with particular focus on quantifying waste generated in operations (Category 5) and improving the methodology and coverage of employee commuting emissions (Category 7)

7. Declaration and sign-off

This Carbon Reduction Plan has been prepared with reference to Procurement Policy Note 006 (PPN 006) and associated Technical Standard for Completion of Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with recognised GHG Protocol standards and relevant UK Government greenhouse gas conversion factors. The Scope 3 categories specified by PPN 006 have been considered. Where complete data is not currently available, this has been transparently disclosed, and actions have been identified to improve future reporting.

Volkswagen Financial Services (UK) Limited is committed to achieving Net Zero greenhouse gas emissions by 2050.

This Carbon Reduction Plan has been reviewed and approved by the Board of Management of Volkswagen Financial Services (UK) Limited and signed on its behalf by the Chief Executive Officer and Chief Financial Officer.

Date:

Todd Mike VWPKI A973A16DFC8ED4F9

Digitally signed by Todd Mike VWPKI A973A16DFC8ED4F9
Date: 2026.10.30 14:12:31 Z

Mike Todd
Chief Executive Officer

Date:

Digitally signed by Smith Jean VWPKI B6A4E7F07B22049D
Date: 2026.10.30 08:54:46 Z

Jean Smith
Chief Financial Officer

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1 https://ghgprotocol.org/corporate-standard
2 https://ghgprotocol.org/scope-2-guidance
3 https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
4 https://ghgprotocol.org/corporate-value-chain-scope-3-standard
5 https://ghgprotocol.org/scope-3-calculation-guidance
6 Procurement Policy Note 006: Taking account of Carbon Reduction Plans in the procurement of major government contracts, including the Technical Standard for Completion of Carbon Reduction Plans

Document control
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