VOLKSWAGEN FINANCIAL SERVICES

THE KEY TO MOBILITY

ESG REPORT 2023 VOLKSWAGEN FINANCIAL SERVICES (ŠkoFIN s.r.o.)

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This report has been prepared for the period up to the end of the calendar year 2023. It contains data on ŠkoFIN s.r.o., also known under its brand name Volkswagen Financial Services, hereinafter referred to as VWFS or the Company.

Due to the fact that VWFS is part of the Volkswagen Group, some of the data presented in the report may relate to more than one company of the Group, as it has not been possible to separate them for these purposes.

Although the company is not required to produce an ESG report for 2023, references to ESG standards resulting from Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 are used in the report. The company has set targets with reference to the UN Sustainable Development Goals (SDGs).

The report is based on internal VWFS documents and information provided by company representatives.

FOREWORD

At Volkswagen Financial Services, we believe that the future belongs to those who can drive growth that is sustainable and inclusive. Our company has been striving for a positive impact on its surroundings for many years. We systematically continue to support the development of electromobility as a fundamental contribution to the reduction of the carbon footprint and sustainable mobility, as well as diversity and inclusion. While the group brands focus on offering attractive prices for their vehicles, our concern is favourable financing and other additional services that motivate drivers to move away from fossil fuels and make the whole process as easy as possible for them while doing so.

This report was created so that all stakeholders – including our clients, associates, communities, and owners – understand how we manage ESG and have a better understanding of how we live up to our values and fulfil our purpose of promoting responsible growth, in the present as well as in the future.

Natalia Bauhuber and Vratislav Strašil company directors

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Main principles of the Group

ŠkoFIN s.r.o. is one of the leading companies in the field of financing cars and commercial vehicles and providing operational leasing operating on the Czech market since 1992. Since 2015, ŠkoFIN s.r.o. has been using its Volkswagen Financial brand for communication services. The legal name of the Company remained unchanged.

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The sole partner of Volkswagen Financial Services is Volkswagen Finance Overseas BV, which is also fully owned by Volkswagen AG.

The Company provides financial services related mainly to the financing and support of the sale of Group cars. Thanks to the product change that took place in 2021, our company is increasingly focused on comprehensive mobility solutions instead of just providing financing. Customers value our products with high added value, whether in the form of the lowest possible instalment or benefits in terms of mobility.

Credit financing for all types of customers.

Extended warranty for used cars in the ŠKODA Plus and Das WeltAuto programs.

Mediation of motor vehicle insurance with all major insurance companies on the Czech market.

Operational, investment and factoring credit financing.

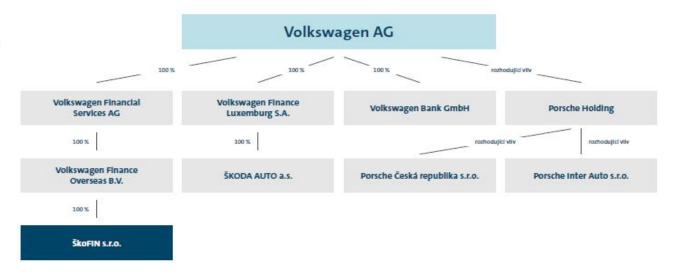
Brand service packages - an additional service that covers the costs associated with prescribed vehicle maintenance for customers.

• Other additional products: payment obligation insurance (PPP) and administrative-legal protection insurance (Assistant).

Operational leasing for retail and fleet customers .



Ownership structure of ŠkoFIN s.r.o



Financial results

The main activity of the Company is the purchase of goods for resale, the sale and leasing of cars and the provision of consumer loans. In 2023, Volkswagen Financial Services successfully concluded a total of 45,426 contracts for the financing of new and used cars. Profit before taxation amounted to 858 million crowns. The net profit in 2023 was CZK 557 million.

KEY FIGURES FOR 2023	(million CZK)
Total asset value	55,415
Equity	6,353
A clean turnaround	14,615
Average number of employees	246

The Company publishes the financial statements compiled in full in its annual report on its websites.

Determination of important topics for the company (Materiality analysis)

Corporate responsibility and personnel policy of the VWFS are based on the global strategy and corporate values of the entire Volkswagen Group. For us, it represents a way of acting that is based on our long-term goals and is responsible to all stakeholders. Our aspiration is to be among the most reliable employers and business partners on the Czech market.

Employee care and company culture	We place considerable emphasis on the care of employees and our culture, under which many activities are hidden, including regular communication and intensive training, but also the support of cooperation across the company. In addition, we support a flexible work environment for a better work-life balance for our employees, and we listen to their needs. With this, we want to continuously increase their satisfaction, because each of our employees is an exceptional individual for us. Without exception, we ensure compliance with our code of ethics. We stand against all illegal business practices. We are also interested in the world outside our company, which is why we are determined to
	minimize the impact of our actions on the environment and to consider its impact on our surroundings before every single step.
Protection of personal data	The security of our customers' personal data is an absolute priority for us. We carefully follow the rules protecting consumers and the principles of fair competition. Our goal is to ensure the security of personal data using reasonable and appropriate measures that will protect personal data in such a way as to provide our customers and partners with an adequate level of assurance.
	This goal is fulfilled by building, controlling, maintaining, and continuously improving document systems in the context of all the Company's business activities. With the continued development of digitization, the protection of personal data of both our customers and partners is a top priority for us.
	Financial Company Services is a founding member of the Non-Bank Register of Client Information. It is a responsible financing provider.

Since the Company is engaged in the provision of financial services, its activities do not directly affect the environment and therefore evaluate the environmental impacts as non-material.

Our goals

As part of the process of selecting topics that are essential to us, we have identified these SDG goals as important.

GOALS OF THE UN	DESCRIPTION OF OBJECTIVES	PLAN UNTIL 2030	SUBSEQUENT VWFS SIGNIFICANT TOPICS
3 GOOD HEALTH AND WELL-BEING	To ensure a healthy life and increase its quality for everyone at any age.	3.4. Reduce premature mortality from non- communicable diseases by a third, through prevention and treatment, and promotion of mental health and mental well-being.	 Supporting the physical and mental health of employees with our employee programs through paid online sessions with a therapist, contributions to the MultiSport card, and healthy snacks at the workplace. Community support as part of our CSR activities, for example long-term support of the Paraple Centre, the Sue Ryder organization, or one-time help to the needy.
4 QUALITY EDUCATION	Ensure equal access to inclusive and quality education and support lifelong learning for all.	 4.4. Significantly increase the number of young people and adults who have relevant skills, including technical and professional, which will be a prerequisite for employment, decent work and entrepreneurship. 4.5. Eliminate gender inequalities in education and ensure equal access to all levels of education and vocational training for disadvantaged - persons with disabilities, indigenous people or children at risk. 	 Supporting the education of employees, their development within the Company and their personal development through internal and external training. Development of an internal system of employee growth and development. Supporting cooperation with universities through student employment and internships.

5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.	5.1. End all forms of discrimination against women and girls globally.5.5. To ensure equal opportunities for women and full and effective participation in decision-making at all levels in political, economic and public life.	 Equal representation of women and men at all levels. Our goal is for women to make up 26% of management positions by 2030. Equal pay and opportunities for all. Support for flexible working hours, flexible working hours, provision of the possibility to work from home, support for parents and caregivers. Zero tolerance for any manifestations of discrimination or sexism. Ensuring a safe way of dialogue and receiving input from employees.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.5. By 2030, achieve full and productive employment and ensure decent work for all women and men, including young people and people with disabilities, and ensure equal pay for work of equal value.	 Equal representation of women and men at all levels. Equal pay and opportunities for all. Barrier-free working environment. Use and development of new technological solutions, increasing work efficiency.

VOLKSWAGEN FINANCIAL SERVICES

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ENVIRONMENT (E)

Environmental responsibility

Since the Company is engaged in the provision of financial services, its activities do not directly affect the environment. Nevertheless, we still try to help improve the situation of our planet in the following ways:

- We sort waste in the office.
- We have a kitchen where colleagues can heat up and eat lunch brought from home.
- We measure the carbon footprint and prepare a plan to reduce it.
- We are developing tools for digitizing our services and thus limiting the conclusion of paper contracts.

Volkswagen Financial's long-term priority is support for the development of electromobility as a fundamental contribution to the reduction of the carbon footprint and sustainable mobility. When purchasing an electric vehicle, we offer complete services to clients with the aim of making the change from a vehicle with a conventional engine to a vehicle powered by electricity as easy as possible. The novelty of 2023 was the launch of an electric car rental service, which was received very positively by our corporate customers.

We develop and use modern technologies to reduce paperwork. Thanks to the CRM project, we managed to digitize a large part of the communication with the client through the SalesForce tool. Last year, we gradually implemented the electronic signature of contractual documentation, and already around 10% of contracts are signed electronically. We are constantly expanding our digital communication and online sales.

The customer can choose the rental period from 7 to 60 days. The very favourable rent includes vehicle insurance with a 5% deductible, a CHARGEE charging card and a service card with a contact for technical assistance. When renting an electric car, customers also get a complete offer of financing, including insurance. Companies that decide to switch to electric cars and charge them with electricity from renewable sources can significantly reduce overall CO2 emissions.

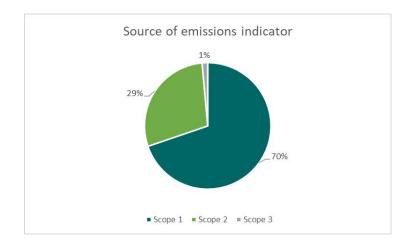
A company's carbon footprint

The Company's carbon footprint is calculated in the company's Agimus tool, where data is consolidated and summarized for the parent company Volkswagen Financial Services AG. For 2023, the carbon footprint was 441 t CO2, the highest source being office building heating and company car fuel.

Emissions from consumed PHM and heating contribute the most to the formation of the carbon footprint. Due to the move of our offices to an energyefficient building in Prague on Bořislavka, other energy consumption has decreased significantly.

In the coming years, we plan to make the calculation more precise, especially in the area of Scope 3 - upstream emissions. The company's 2023 carbon footprint includes only major carbon footprint contributors.

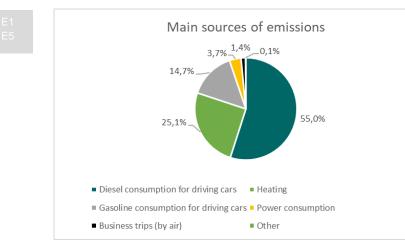
Source of emissions	Emission [t CO 2 equivalent]
Total emissions	442,151
Scope 1	308.47
Scope 2	127,347
Scope 3	6,334



Emission intensity (tCO 2 e per employee) is 1.767.

Energy	At VWFS, we have decided to use 100% clean electricity, so our offices use certified green energy, which comes mainly from hydropower plants.
Vehicle fleet and fuel consumption	Enyaq -type purely electric cars are part of the company's internal fleet. The new Car policy VWFS envisions is a gradual renewal of the vehicle fleet with a focus on vehicles with a hybrid or purely electric drive.

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Main sources of	emissions
Source of emissions	Emission [t CO 2 equivalent]
Diesel consumption for driving cars	242,985
Heating	111,078
Gasoline consumption for driving cars	65,062
Power consumption	16,269
Business trips (by air)	6,334
Other	0.423

The office complex in Bořislavka has an internationally recognized LEED Gold certificate of environmental sustainability, among other things, for the use of rainwater, an extensive green roof and energy management (for example, energy recovery from elevators or a heat exchanger).

The complex also includes waste management, where paper, plastic, glass, and gastro waste are sorted. There are bins for sorted waste not only in the entire complex, but of course also in the VWFS offices.





Electromobility

Both employees, as one of the company benefits, and corporate clients, as part of the e-rental, can try out electromobility at VWFS.

Those interested in electromobility can rent electrically powered ID models for a week to two months under advantageous conditions. This way companies can test them in the real operation of your company. Since these are utility vehicles, the Company is trying to dispel myths about the unusability of electric cars in the normal operation of all types of companies with this program.

"Our corporate customers are interested in electromobility, but a traditional test drive or weekend rental does not provide them with sufficient opportunity to experience all aspects of electromobility in the real conditions of their company fleet."

Mirka Cimrová, Director of Commercial Vehicles division, Porsche Česká republika

ŠKODA AUTO Foundation Fund

In 2023, VWFS for the first time participated in a foundation fund grant, which aims to develop biodiversity in the territory of Mladá Boleslav, Rychnov and Vrchlabí. Supported projects include Biodiversity elements including their subsequent care; Projects supporting water retention in the landscape; and educational projects involving schools and local communities only as a follow-up to a project supporting biodiversity. A total of 25 projects were supported.

Digitization & Paperless operation

VOLKSWAGEN FINANCIAL SERVICES THE KEY TO MOBILITY In 2023, we continued to develop online services. For the My VWFS customer portal, we have launched a new online vehicle fleet management tool, FleetCARS, which enables fleet managers to have a constant overview of their current status and to generate up-to-date information and reports in real time. Here, clients can find an overview of all contracts, detailed technical information of cars and kilometres travelled recorded as part of service inspections.

We have started the gradual transfer of documents to our My VWFS Client Portal. Through the My VWFS portal, clients can communicate with the company or directly request changes to their data. In it, they will also find the current balance on the contract, the repayment schedule or an overview of the vehicle and its insurance. In addition, we are constantly expanding the range of individual actions that clients will be able to perform online with a few clicks. Here, the client will find his new "Green Card" and soon also the invoices issued for his contract. The invoices have also been graphically modified and a QR code is now available on them for easy payment.



Thanks to the CRM project, we managed to digitize a large part of the communication with the client through the SalesForce tool. The online sale of our used cars together with the financing of their purchase offers clients the opportunity to choose from more than a hundred cars and set the financing parameters to suit their needs, learn everything they need about the range of cars and arrange a used car loan from anywhere. Service visits can now be arranged online, and we are preparing an extended warranty.

Last year, we gradually implemented the electronic signature of contractual documentation, so around 10% of contracts are already signed electronically. We are constantly expanding our digital communication and online sales.

The rise of digitization has brought about changes in the purchasing behaviour of customers. They are now looking for flexible options and want to have access to mobility without owning a car. In 2022, we therefore implemented the new MOBILITY2030 strategy, which is intended to bring innovation and expansion of various mobility options in order to keep up with the demands of our customers. The main mission of VWFS in this strategy is to develop a comprehensive mobility platform that will allow VW Group customers fast, flexible and above all digital access to mobility, from providing various forms of financing to short-term vehicle rental. At the same time, the MOBILITY2030 strategy focuses on the life cycle of vehicles in order to maximize the use of each of them, thereby reducing the impact on the environment.

MOBILITY 2030 STRATEGY





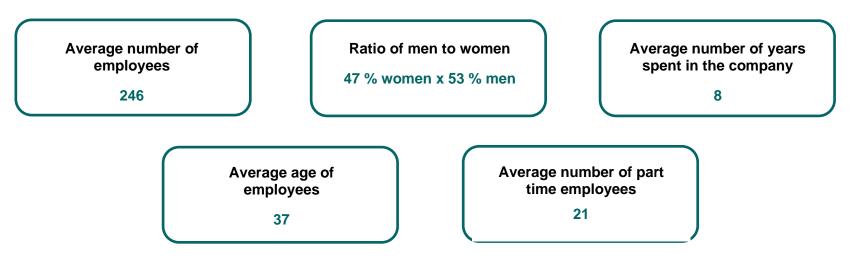
THE KEY TO MOBILITY

SOCIAL ASPECTS (S)

Our employees

SRS S1 SRS S2 SRS S3 In 2023, VWFS had an average of 246 employees, with a slight preponderance of men. Women occupy 18% of management positions, and our goal is to increase their number in managerial positions to at least 26%. In 2023, we filled 54 positions, of which 33.3% were filled internally. We are happy that we manage to fill many positions from our existing employees, thereby ensuring their personal and career growth.

HR statistics



Mood Index - StiBA

VWFS employees participate annually in the StiBA employee satisfaction survey (Stimmungsbarometer). It aims to maintain an intensive, constructive and permanent dialogue in teams, and increase employee satisfaction through participation, improving awareness, quality and productivity, leadership and cooperation, as well as stimulating entrepreneurial spirit by defining and implementing concrete measures.

Participation in StiBA is voluntary and strictly anonymous. All companies and their branches within the VW Group participate in the survey, and in addition to standard questions, the general satisfaction and mood of employees is also ascertained. In addition to filling out the questionnaire, employees can also contribute specific topics and ideas via an online message board. This reinforces the dialogical nature of the Stimmungsbarometer. After the survey is carried out, employees, managers and representatives of the works council meet continuously to discuss the results and define possible improvements.

StiBA 2023 Mood index 83.2 % (79.6 % in 2022) Participation in the survey

87 % (81 % in 2022)

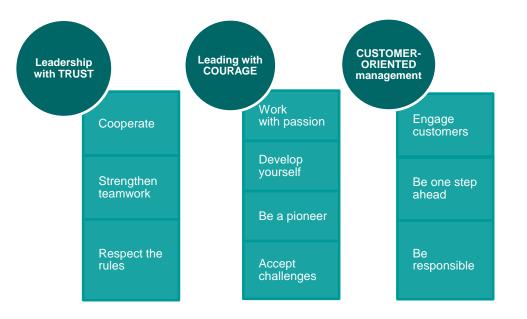
Overview of the main employee benefits

HEALTH	Our employees can use the online psychological and therapeutic services through the psychological counselling centre <u>Hedepy</u> . We also provide employees with accident insurance as part of the benefit program. A popular benefit is the Multisport card, which facilitates regular access to relaxation and exercise for employees. Also, we strive to support a healthy lifestyle in the workplace as well. That's why we deliver fresh fruit to the kitchens twice a week, and employees can use Frutissimo cards or practice morning yoga right in the offices.
FINANCE	At VW, we generally do not differentiate between our employees based on gender or other attributes (ethnicity, religion, etc.). We offer employees contributions for supplementary pension insurance or travel insurance. They can also take advantage of discounted company telephone tariffs or car rental, discounted employee leasing contracts or the provision of a non-purpose loan. All employees have equal access to all benefits offered.
WORK-LIFE BALANCE	We place great emphasis on work-life balance. Employees are entitled to 25 days of vacation and 5 days of personal leave (My free days). They also have benefits from the Sodexo program Cafeteria, which they can use for services according to their own selections. Providing meal vouchers is a matter, of course, for us. We declare equality and therefore support paternity leave. At the same time, we support work from the Home Office, which all our employees can use up to twice a week. Flexible working hours are also a matter, of course, as we trust our employees and want to enable them to make better and more efficient use of each day.
DEVELOPMENT AND JOINT ACTIVITIES	It is important to us that our employees develop, which is why we support them in further education. Language courses, but also external soft skills and hard skills courses are very popular. Employees also have access to educational platforms such as Seduo or EduCity, where they can educate themselves in areas that interest them. Every Friday we organize the so-called Friday development , which consists of voluntary meetings offering a variety of interesting activities, mostly in the field of mental health. We also regularly organize company-wide meetings , which are not only about the company's results; we give employees the opportunity to openly ask management about anything they are interested in. Questions about the building, employee benefits and events are fielded. We are happy to be able to hold such meetings regularly where we can communicate openly and get timely feedback. Our company activities always have two main subtexts. First, we strengthen ties and communication in the company, which is key for us. And secondly, we are excited to contribute to our community through our activity.

Employee dialogue and corporate communication

Corporate communication is very important not only from a business point of view, but also to make employees feel that they are an integral part of VWFS, which they undoubtedly are. We normally use e-mails and telephones for communication. At the same time, however, we strive to share information and know-how as much as possible, thereby facilitating work processes. This is mainly done by publishing and storing important information on the Intranet. In a weekly email on Fridays, in the NEWSLETTER, we share important changes, news and innovations from our business.

An integral and very important part of our business is the trust of our employees, their belief in what they do, as well as their motivation and continuous development. All this is part of the Employee dialogue, i.e., the development interviews of employees with their superiors. We focus on quality feedback, and it is important for us that employees know how their work and their goals correspond to the Company's strategy. We believe it is important to communicate openly about the meaning of their work, as intrinsic motivation is a long-term factor influencing their motivation and confidence.



We support our employees in their development, both vertically and horizontally, and therefore do not prevent them from trying new things and discovering new skills. Therefore, we provide them with internal and external education that meets their needs.

Part of the Employee dialogue is also 360° feedback, in which not only are subordinates evaluated by their superiors, but employees also evaluate their superior managers. We believe that this approach strengthens the company culture and builds trust in transparent dealings, and at the same time, can improve some processes in the Company's management.

We take a responsible approach to the management of our employees and therefore try to constantly develop the most appropriate structure of dialogue with employees, so that they can develop both in the context of the Company, and in their chosen direction.



Responsible business

In 2023, we participated in the EcoVadis rating, which is one of the largest and most trusted providers of business sustainability ratings in the world, having created a global network of more than 130,000 rated companies. The EcoVadis sustainability assessment methodology is an assessment of how well a company has integrated sustainability/CSR principles into its business and management system.



Top 35%

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In this assessment, the company received a P80 (80th percentile), which means that it ranked higher than 80% of the assessed companies and thus received the responsible company certificate.

In all evaluated areas, the Company obtained more than 60%. However, at VWFS we recognize that environmental, social and ethical performance - or sustainability - is a critical factor for smart business today, and therefore we will continue to participate in these ratings and take measures within the Company to improve in all areas and be such a good partner for business.





In 2023, we also won an award in the prestigious Zlatá Koruna competition, which evaluates all products in the field of banking, insurance and other financial services intended for so-called retail customers. Specifically, we won 2nd place in the category of non-bank loans, and took 2nd place in the category for social responsibility.

Awards in the category of non-bank loans: The company won the Golden Crown in the 21st year of the competition for the product Financing SMART. For VWFS, this award is a confirmation of the quality and attractiveness of our products.

We won the award in the Social Responsibility category for our support of Sue Ryder's home for the elderly. We are very pleased with this award, as it shows that socially responsible projects are important to us and that we are actively trying to promote positive changes in society. We are proud to make a long-term contribution to improving the lives of the residents of the Sue Ryder Nursing Home and supporting the improvement of palliative care in the Czech Republic.

VOLKSWAGEN FINANCIAL SERVICES

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SRS S3

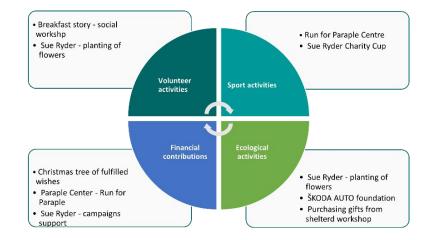
Social Responsibility

As a leading provider of mobility, we have long been trying to help our fellow citizens who are in some way limited in their mobility - be it due to their health problems, old age or other limitations. That is why our main goal in this area is to help people with disabilities achieve greater mobility, and thus greater independence and satisfaction in life. In addition, we continue to support local communities and selected charitable organizations through charity collections and other activities. In addition to long-term projects, we also participate in new charity events, in which we focuse on specific cases of people in need of help.

Long-term projects

The Paraple Center

In 2023, our long-standing partnership with the Paraple Centre, a charity helping people with spinal cord injury and paralysis, continued successfully. Last year we were proud to become the main partner of the Run and Ride for Paraple, allowing us to continue helping people with reduced mobility. Last year, 45 enthusiastic colleagues of our team participated in the #Jointhemovement challenge, and they managed to walk, run or cycle a total of 12,763.75 kilometres in one month. We are also happy that the employees are interested in similar activities, and, compared to last year, they managed to run ten thousand kilometres more. In addition to the total proceeds from this sporting event - CZK 915,000 - the company Volkswagen Financial supported the services collection with another 50,000 CZK. These funds will help finance residential social rehabilitation, the main service of the Paraple Center.



Sue Ryder

Sue's non-profit organization. We have been supporting Ryder, which provides services to seniors with reduced mobility, regularly since 2015. Last year, among other things, we lent her electric cars ID.4 and Audi Q4 e-tron from our rental company of electric cars, which helped trainers and counsellors from Sue Ryder with care for the elderly, mainly in Prague, but also in other cities of the Czech Republic. During these trips, these state-of-the-art electric cars drove completely without local emissions and thus contributed to a better environment. Next, the employees of Volkswagen Financial Services participated in Sue's charity football match for the ninth time, the Ryder Charity Cup. The company also participated in two campaigns. She donated 130,000 CZK to the spring campaign entitled "Dignified to the Last Minute", which was dedicated to palliative care for the elderly. In the second, an autumn campaign entitled "Become a star for the oldest of us", our company again got involved and supported the possibility of organizing trips for the elderly. Our support for this non-profit organization was also

recognized last year by the judges of the Golden Crown competition in the category awarding socially and ecologically sustainable projects.

Breakfaststory

Since 2020, we have been supporting the Breakfaststory social platform, which focuses on helping disadvantaged people, seniors and single mothers, through the purchase of refreshments. We used her services to provide refreshments for internal events and meetings as part of the "Enjoy breakfast" project. Through this platform, we bought gifts for our business partners and employees, who enjoyed nice gifts and a good deed. The company also donated 100,000 CZK for cooking and transporting lunches prepared in social enterprises as part of the benefit campaign "Enjoy lunch" under the Breakfaststory banner. These lunches go completely free of charge to people in need - seniors, single parents or child war refugees.

Škoda Auto Foundation Fund

In 2023, a new project was added - Volkswagen Financial Services participated in a grant from the Škoda Auto Foundation, the aim of which is to develop biodiversity in the territory of Mladoboleslavsko, Rychnovsko and Vrchlabsko, i.e. where the car company operates. Our company contributed 250,000 CZK to the "Krakonošovy zahrádky" projects, which will finance 25 projects improving nature conservation and biodiversity in the region. Some of these projects are already being implemented. For example, we are happy to be supporting the construction of ponds in the Vlčí Pole locality and Dymokury meadows, which will help retain water in the landscape and create a safe living space for various species of amphibians. The Krkonoše National Park Administration is the expert guarantor of the project, so we know that the funds are really used where they are most needed.

Charity collections

Collection for Kubík

Our company has been supporting the collection for Kubík for many years. Kubík suffers from epilepsy and cerebral palsy. His treatment is financially demanding, but we believe that with joint efforts we will be able to improve the boy's condition, at least partially. Last year, the company organized a sports challenge, during which it donated 2 CZK for every kilometer that employees ran in sports during September and October. In total, the sports challenge brought 34 thousand crowns. The amount raised went to finance Kubík's expensive treatment. Kubík is now 13 years old, and thanks to regular physiotherapy, at home and in specialized facilities. He is making constant progress.

Christmas gifts for seniors and children

Christmas is a time of well-being and wish-fulfilment, and it should be no different for seniors or children who cannot spend the holidays in their own homes. Therefore, our employees joined forces again and at their own expense purchased and wrapped gifts for the clients of Sue Ryder's nursing home and the patients of the Children's Centre at Thomayer Hospital. The seniors received medical supplies and interior decorations, while the children found paint for glass under the tree, as well as things that are needed for the operation of the centre - for example, a breathing monitor or diapers.

Helping victims of a university tragedy

We were deeply affected by the shooting on the premises of the Faculty of Arts of Charles University before Christmas last year. The least anyone can do at such a moment is to support the victims' families, students and teachers. That is why we decided on financial support in the amount of CZK 100,000 through the platform Darujme.cz, which organized the collection.



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GOVERNANCE AND MANAGEMENT (G)

Human rights and ethical leadership

Respecting human rights is a priority at VWFS. We believe that sustainable economic activity is only possible if we act ethically and honestly.

The highest representatives of the concern and representatives of employees of the VW concern (Volkswagen Group European Works Council and Volkswagen Group Global Works Council) have committed to the fulfilment of these principles in the Concern Declaration on social rights, labour relations in business and human rights (Declaration on Social Rights, Industrial Relations and Business and Human Rights) known as the Social Charter.



With this declaration, we openly subscribe to the main international agreements and declarations, in particular to <u>the International Charter of Human Rights</u> <u>and fundamental freedoms</u> (ILO - International Labour Standards).

Our business activities are guided by the UN <u>Guiding</u> <u>Principles on Business and Human Rights</u> (UNGP), which are the building blocks of our activities.



Our decisions are always transparent, show good judgment, are based on corporate integrity and are taken in the best interest of the company and its employees, business partners and shareholders. We strengthen trust and shape change in the Company through leadership based on ethical values. All these values are included in our <u>social charter</u>.

Diversity and equal opportunities

Diversity, equal opportunities, and equal treatment are important principles for fair, non-discriminatory and respectful coexistence. We believe in cooperation, in the spirit of partnership, in tolerance and in mutual respect. We support employee diversity and create an inclusive work environment.

We offer equal opportunities for all and reject all forms of discrimination. This applies in particular to unequal treatment on the grounds of ethnic or social origin, skin colour, gender, nationality, language, religion, ideology, age, physical and mental health, gender identity, sexual orientation, political opinions or any other characteristics. We live in diversity, actively promote inclusion, and create an environment that not only supports the involvement of all employees, but also develops the individuality of each employee.

Our employees are selected, hired, and developed based on their qualifications and skills.

Occupational health and safety

We approach the field of occupational health and safety (OSH) in accordance with national legal regulations and internal company regulations in the field of OSH. This area is the basis for ensuring the sustainable future of our Company, and also for its perception as an attractive employer. We believe that it is possible to prevent all potential occupational accidents and diseases at VWFS. Our goal is therefore to ensure the protection and support of physical and mental health. This requires everyone's cooperation and participation.

Security and protection of information, know-how and intellectual property

We are aware of the value of company know-how and take great care to protect it. We respect the intellectual property of competitors, business partners and other third parties.

Conflict of interest and prohibition of corruption

A potential conflict of interest exists if the private or personal financial interests of employees influence or could influence their business decisions. This also applies to personal relationships in the workplace, especially regarding existing employment relationships or hierarchical ties.

Conflicts of interest can arise both directly with the employees themselves and with persons related to them, especially as a result of involvement in other companies, through secondary employment, in connection with various memberships or in regards to the personal financial situation of employees. In this context, we also consider business relations with third parties, such as other companies in the VW Group or suppliers, to be relevant.

Benefits in the form of gifts and invitations are permitted only when deemed appropriate.

Our internal policy for dealing with gifts, invitations and/or business lunches/dinners sets out under what conditions these are appropriate and what steps need to be taken when accepting and/or giving them.

Prohibition of money laundering and terrorist financing

We carefully check the identity of customers, business partners and other third parties with whom we want to cooperate and do business. Our goal is to work exclusively with reputable partners who operate in accordance with legal regulations and who use resources from legal sources.

We assign incoming payments to the respective services provided without delay and account for these transactions in a proper manner. We ensure transparent and open cash flows.

Unfair competition

We comply with antitrust regulations in the provision of our services, ensuring that there is no distortion of competition in the relevant markets.

In particular, agreements and negotiations between market competitors aimed at restricting free competition are prohibited. This includes, in particular, the exchange of information about prices and their components, business conditions, customer groups, restrictions and innovations. Furthermore, the exchange of sensitive information and the abuse of a dominant position on the market are prohibited. In accordance with legal regulations, the transactions in question are subject to control processes.

Anti-competitive behaviour can not only significantly damage the good name of the Company, but it can also result in heavy fines or penalties, or may cause financial losses.

Stakeholders

We carefully select our suppliers, service providers and partner companies based on objective criteria and potential increase in competitiveness. We only work with business partners who meet all requirements set by law, internal regulations, and guidelines.

Before concluding a contract, we carefully check the integrity of potential business partners.

We always involve the departments affected by the transaction in trading.

Accounting and financial reporting

We strictly comply with legal measures in connection with proper accounting and financial reporting. Transparency and correctness are our main priorities, as any irregularities can have serious consequences for both the Company and the people responsible. We publish our financial statements regularly, in a timely manner and in accordance with national and international accounting regulations.

Marketing and communication

We make sure our communications are clear and consistent to maintain the trust of customers, investors and other stakeholders. Before we commit to any communication and/or implementation of marketing measures, these steps must first be coordinated with the responsible departments. Thoughtful and mutually respectful interactions come naturally to us.

Political lobbying and negotiations with public officials

We carry out political lobbying centrally and in accordance with the principles of openness and responsibility. It goes without saying that our interaction with political parties and interest groups is based on the principle of neutrality. Excessive influence in politics or legislation is not permissible.

It follows from national and international legislation that there is an increased risk of corruption when dealing with public officials. We therefore take this fact into account in our internal guidelines, in which we treat bribery in particular in order to speed up ordinary and routine official actions.

Donations and sponsorships

As part of the Company's activities, we provide both donations, i.e., voluntary contributions without any consideration provided by the recipient, and sponsorship gifts, i.e., contributions based on contractually agreed conditions in order to achieve a positive influence on our reputation and public perception.

To avoid conflicts of interest, all donations and sponsorship contributions are provided in accordance with applicable laws and internal guidelines. All contributions must also go through the Company's approval process. Donations provided by us serve scientific, charitable, cultural or religious purposes. Also, we provide donations exclusively to institutions that are recognized as charitable and/or are subject to statutory tax benefits.

Taxes and duties

As a global company, we are aware of our social responsibility to fulfil our obligations in the field of foreign trade, taxes and customs, and therefore we take care to comply with national and international regulations in these areas.

Data protection and IT security

We attach great importance to responsible, secure and transparent handling of data. We collect, process, use and store personal data exclusively in accordance with legal requirements. We protect the personal data of customers, employees - including former ones, job applicants as well as business partners. We respect IT security and comply with applicable information security regulations. These regulations contain comprehensive information on IT security for different groups of employees and are relevant for all employees.

Compliance with other legal regulations

During the preparation of the report, it was verified that VWFS complies with all legal regulations related to its economic activity.

Whistleblower Protection

The company is built on respect for legal compliance and high ethical and moral values. Illegal or unethical behaviour is unacceptable to us. VWFS is ready to receive any suggestions into the group reporting system "Whistleblower System" or through the internal reporting system in accordance with Act No. 171/2023 Coll., on the protection of whistleblowers based on the confidentiality and impartiality of the assessment of each report.

Both of these Whistleblower Systems guarantee the greatest possible protection to whistleblowers, suspected wrongdoers and employees involved in the investigation of reported misconduct.





THE KEY TO MOBILITY

Code of Conduct

The Volkswagen Group Code of Conduct (OUR CODE) is a value-based code of ethics which all employees of the Group undertake to always act honestly and in accordance with the Group's rules. The Code of Conduct serves as a binding guideline for employees of all our brands and companies worldwide.

Together, we bear responsibility for our cooperation, our working and living environment, sustainability, and togetherness. We approach each other and the external environment with respect and as equals. We take clear positions, we unwaveringly and proudly stand by our values and principles, regardless of the time or the economic and social situation.

We strongly believe that to build trust in our Company, our products, services, and innovations, it is essential that each of us – employees, board members and managers – act with integrity.

For this reason, all decisions we make in all areas of work and at all levels must be in accordance with both our corporate values, and applicable national and international regulations and internal rules. This also applies to the further development of our Company regarding the development and use of innovative technologies, such as artificial intelligence. Transparency is important to us and our approach to innovative technologies ensures that all the rights and safety of their users are respected.

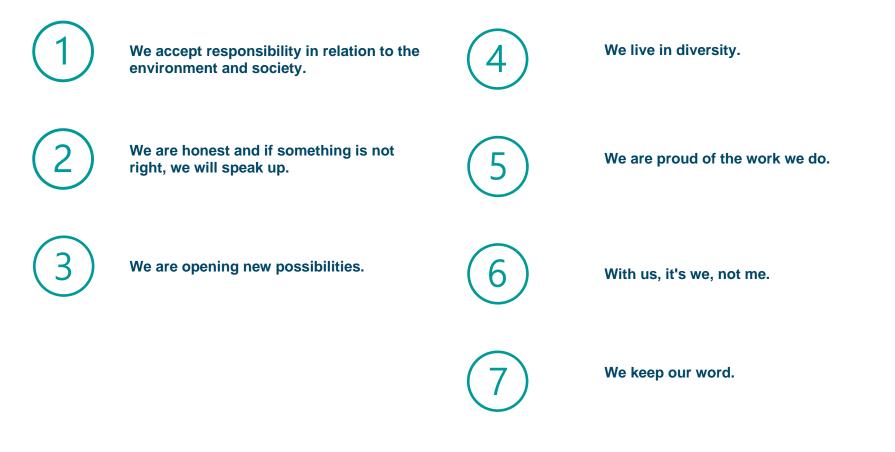
We do not tolerate violations of the code of conduct.

Anyone who breaks our rules must face the consequences. To prevent such situations from occurring, we seek support to jointly protect our company, its values, and the reputation of all our brands.

Each of us is personally responsible for following our code of ethics (OUR CODE). It is up to each of us to familiarize ourselves with it and follow it in our daily decisions. For the Group in motion, for the protection of people and the environment and for future generations.

Main principles of the Group

The Group's Guiding Principles are the foundation of our group's values, which unite all individuals across all brands and companies. It forms the basis of our corporate culture.





Contact

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ABOUT THE COMPANY

Volkswagen Financial Services is the leading financial company on the Czech market and the most important in the field of passenger car and commercial vehicle financing. It was founded in 1992 under the name ŠkoFIN.

Our goal is to help individuals and companies achieve mobility quickly and easily. We offer branded financing in the form of new-generation loans, operating leases, as well as branded insurance and tailor-made service packages.

We specialise in supporting the dealer network of Volkswagen, Audi, SEAT, ŠKODA, Porsche, Ducati, Group used cars of all brands and premium brands such as Bentley and Lamborghini.

Every third car sold by the Volkswagen Group is financed by us!