

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.

Baseline Emissions Footprint

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

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

Reporting Year: 2022	
Emissions	Total (tCO ₂ e)
Scope 1	348
Scope 2	418
Scope 3*	793
Total Emissions	1,559

*Scope 3 Sources:

Area	Source
Business Travel: Flights, Rail, Car, Taxi	HRG Travel and Internal Expense Claims
Employee Commuting	Annual travel survey
Upstream emissions of petrol	Fuel Cards
Upstream emissions of diesel – employee fuel cards	Fuel Cards
Upstream emissions of electricity supply	Public Charging Cards

Supporting Information:

1. Scope 1 emissions are generated from the gas used in the main operational buildings of VWFS in the UK. The emissions are those generated from the use of company vehicles on company business in the UK.
2. Scope 2 emissions are generated from the use of electricity in the same UK premises as scope 1.
3. The reporting period for GHG emissions runs from 1 January to 31 December for each respective year. Conversion factors are from the UK Governments 2022 Conversion Factors for Company Reporting document.
4. Transport emissions were compiled using actual mileage recording in 2022.
5. 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.
6. Green energy contract in both VWFS UK Buildings
7. Solar panels provide additional supply of energy at VWFS main office building
8. EVs as part of business travel / employee commuting
9. Scope 3 has ongoing activity to capture all areas of scope 3 including VWFS UK Supplier management processes

Emissions Reduction Target

In order to continue our progress to achieving Net Zero, Volkswagen Group AG has committed to be carbon neutral worldwide by 2050. Volkswagen Financial Services UK is covered by this commitment.

Short term (i.e next 12 months) and long term targets/progress against them are reviewed monthly the VWFS UK ESG Risk Committee and internal VWFS UK Sustainability reporting and then quarterly and annually and ad hoc as required by our Board of Management Meetings.

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>

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented:

- VWFS UK main office building (One Delaware Drive):
 - High efficiency double glazing
 - Awarded BREEAM Excellent
 - Sensitive heating and cooling
 - LED lighting throughout (incl. car park)
 - Installation of solar panels
 - EV chargers available for employees
 - E-bikes available for travel between One Delaware Drive and Brunswick Court (or for lunch time leisure use)
- Zero waste to landfill policy, waste streaming at source
- Electric vehicle pool cars available for employee commuting
- 100% renewable green energy contract
- Introduction of flexible working
- Other employee benefits such as fully funded home charger and tree planting to reward tenure
- Development of remote training where appropriate to replace face to face training
- Introduction of the Volkswagen Group Environmental and Product Compliance Management System

Planned Carbon Reduction Initiatives

We are currently assessing the following carbon reduction solutions to determine their viability:

- Increase usage of EV pool car scheme and e-bikes on site
- Business travel policy review
- Review of GreenIT tools
- Increase of EVs on employee car scheme

Declaration and Sign Off

This Carbon Reduction plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emissions conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reporting in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the UK Board of Directors.

Mike Todd
Chief Executive Officer

Jean Smith
Chief Financial Officer

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>