

**VOLKSWAGEN
FINANCIAL SERVICES**
THE KEY TO MOBILITY



Annual Report

2023



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Introduction

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Welcome

We are pleased to present to you the 2023 Annual Report of Volkswagen Financial Services Brasil (VWFS Brasil), which oversees the financial and mobility operations of the Volkswagen Group in the country.

This is our second report following the guidelines of the Global Reporting Initiative (GRI), an organization that assists businesses, governments and other institutions in disclosing their environmental, economic, and social impacts to society.

We experienced a year marked by numerous accomplishments, which can be summarized in three aspects: The consolidation of new businesses, technological advancements, and the maturation of our environmental, social, and governance (ESG) journey.

VWFS Brasil aims to promote the value of diversity and talent among its employees and partners. Our company's positive results have a beneficial impact on society.

Enjoy your reading!



Message from the Management

GRI 2-17, 2-22



1/3

of our 2023 results
stemmed from
businesses that did not
exist in the company
three years ago

We are delighted to introduce you to the 2023 Sustainability Report of Volkswagen Financial Services Brasil.

This annual summary of the company's performance goes beyond celebrating achievements. It also serves as a message of confidence in the future, in our country, and in the growth of our business, reaffirming our commitment to stakeholders and sustainability.

Confidence aptly describes VWFS Brasil's position in a year characterized by a complex global scenario, including climate change, macroeconomic instabilities, and market volatility.

We invested in building a multi-platform for mobility in Brazil. To this end, we are increasingly present at all times with our customers and throughout the life cycles of our vehicles.

The culture of sustainability has guided our work. We invested in our people and improved processes. We expanded our capillarity and efficiently scaled our business to remain competitive.

There is a solid foundation for our confidence in the future. In 2023, we achieved excellent performance in a context of public policies that controlled inflation, initiated the process of reducing interest rates, and promoted vehicle financing, among other measures.

One-third of the results came from businesses that were virtually non-existent at the company three years ago – financing for used vehicles, fleet management, and vehicle subscriptions for individuals seeking convenience, flexibility, and savings.

Innovative technologies and processes have introduced new personalized solutions with high added value. Thanks to these innovations, the share of new businesses is expected to reach 70 percent in the next five years.

We reinvented customer service with the evolution of the Torq chatbot. We implemented facial biometrics for formalizing credit and developed new collection products to maintain default rates below the market average.

In the captive segment, the bank achieved record market shares, financing more than 80 percent of light-duty vehicles and over 70 percent of heavy-duty vehicles through Banco Volkswagen. In the pre-owned car segment, our Car Bank brand continues its consolidation process, with more than one hundred new hires for the team.

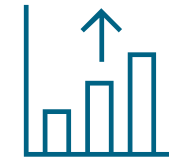
Such results would be unattainable without the support of our network of partners, who are vital to our business model. We have made significant investments and continue to do so to strengthen this relationship of mutual trust, benefiting all parties involved.

Two examples of evolving partnerships include Embracon taking over all consortium management from VWFS Brasil, and the business combination with the rental company LM Soluções em Mobilidade, formalized in 2022, which made a valuable contribution to the organization's mobility strategy. In 2023, our total fleet grew by 20 percent, and our operating results nearly doubled, surpassing expectations.

We remain committed to our mission of being the cornerstone of mobility, both in Brazil and globally, by supporting our Volkswagen Group brands and striving to be a benchmark in mobility in the country.

In 2022, when VWFS Brasil integrated the ESG and Sustainability dimensions into its strategy, we made commitments that have been met with distinction. Today the area is definitively established and spreading knowledge. In 2023, we trained more than 300 people and implemented 100 percent of the ESG governance processes.

Four key advancements in this area stand out: The successful completion of the initial mapping of scopes 1, 2, and 3 of greenhouse gas emissions, with scopes 1 and 2 receiving recognition through the Gold Seal of the Brazilian GHG Protocol Program, enabling the development of a decarbonization plan aligned with international standards; the increase in female representation in leadership to 42 percent, surpassing the group's goal of 26 percent; the integration of the ESG factor into executive bonus structures, and compliance with banking self-regulation.



Our fleet has grown

20%

and the operating result almost doubled, exceeding expectations



I emphasize that people are the cornerstone of VWFS Brasil's success. We remain optimistic and confident. In three years, we generated relevant and sustainable results, inspired by our customers. Today the company has a robust multi-platform for mobility that is ready to grow.

Connected with our culture, we reiterate our commitment:
#MovedByPeople, #InspiredByCustomers and #WeAchieveResults.

We rely on you to continue building a future that will be more sustainable, inclusive, and prosperous.

The best is yet to come!

Rodrigo Capuruço

CEO of VWFS Brasil and South America



We reaffirm VWFS Brasil's dedication to the principles of sustainability, ethics, and transparency, which serve as the foundation for the organization's decisions and actions

2023 Highlights



Total assets of

BRL 42.9 billion*

Net equity of

BRL 4.1 billion*



Expansion of
daycare assistance
for men

* International Financial Reporting
Standards (IFRS) standard values
on December 31, 2023



CarBank

Car Bank brand consolidation
in the pre-owned segment:

30,000 sales

2,200 accredited points of sale

More than 100 people hired



40% of leadership positions
held by women, **38%** in
executive positions

Migration of data of more than
1 million consortium customers to
partner Embracon



Integration of the
ESG factor into
the executives'
variable
compensation



First mapping
of emissions of
scopes 1, 2 and
3 of GHG



**GOLD
SEAL**
of the GHG
Protocol



Digital

- Use of facial biometrics validation to open a loan facility
- Adoption of new systems
- Provision of automatic services through Torq – VWFS' virtual assistant

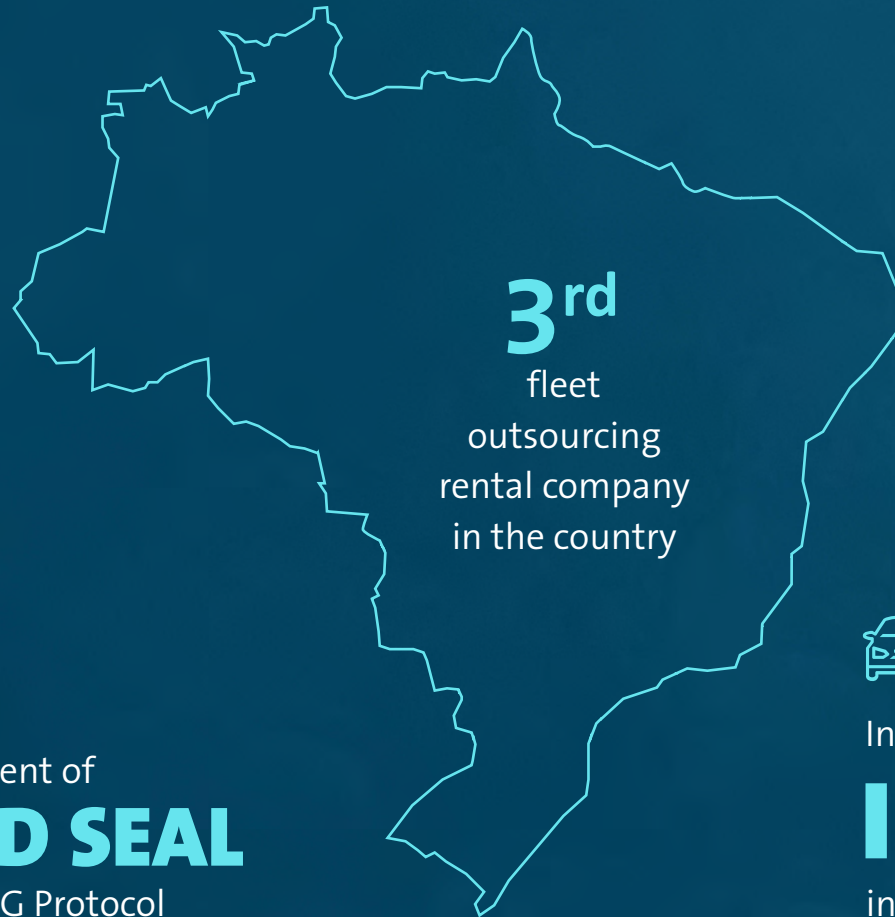
2023 Highlights



Soluções de Mobilidade



Achievement of
GOLD SEAL
of the GHG Protocol



Increase of



in the operational fleet



BRL 2.9 billion
a Net Equity
record value



Total fleet of about
86,000
(4,200 heavy duty)



Fleet Value of

BRL 8.5 billion

About the report

GRI 2-1, 2-3, 3-1, 3-2

This report presents the corporate vision and institutional brand of VWFS Brasil, along with the consolidated vision of Banco Volkswagen, the business with the highest relevance and visibility in the company's structure.

Sustainability information and financial reports encompass the period from January 1 to December 31, 2023, adhering to the same annual reporting cycle.

For the second consecutive year, this report adheres to the Global Reporting Initiative (GRI) guidelines, incorporating an analysis of the Sustainability Accounting Standards Board (SASB) indicators.



Our ESG strategy adopts global best practices



Structure

The structure of this document mirrors that of the [2022 Report](#), aiming to facilitate the comparison of actions and results.



In this chapter 1, **Presentation**

we provide insight into the report's preparation process, share the Management's message, and highlight key aspects of 2023.



In chapter 2, **VWFS Brasil**

we address the organization's strategy, goals, and values, along with details on corporate governance, ethics, and integrity.



Chapter 3, **People**

brings initiatives related to employee management and development, as well as their health and well-being.



In chapter 4, **Strategy and future vision**

we delve into the decarbonization journey of the Volkswagen Group and its subsidiaries, alongside technological innovation.



Chapter 5, **Performance**

reports on economic and financial, social and environmental results.



Finally, chapter 6, **Supplementary information**

brings the complete list of indicators referenced throughout the text and other attached information.

Accessibility

This publication is available in the digital format in both Portuguese and English. To enhance user experience and foster inclusivity, we adhere to best practices in accessibility.

Methodology

Our report is a collaborative effort that involved talents from various areas of the company. We also received support from representatives of other stakeholders and specialized consulting firms.

To define the methodology, we cross-referenced guidelines set forth by SASB, System B, International Financial Committee (IFC), the Securities and Exchange Commission (CVM), and the United Nations (UN) Global Compact.

The company's materiality process was conducted through interviews, workshops, surveys, stakeholder mapping, and analysis of internal and external documents, focusing on the company's activities. Conducted biennially and completed in 2022, the process prioritizes topics based on their relevance to stakeholders, including customers, workers, suppliers, business partners, the third sector, and Volkswagen Group brands.



Atmospheric emissions



Energy management



Product life cycle management



Diversity and inclusion



Human rights and community relations



Employee health and safety



Ethics/privacy and data security/risk management



Resilience of the business model



These eight topics are linked to the organization's ESG strategy and remain in force in the current cycle, with improved monitoring. They are also correlated with the UN's Sustainable Development Goals (SDGs).

Throughout this document, we use the term “employees” – as adopted by GRI – as this is the usual treatment in the organization.





Learning is solidified through the analysis of implementation processes and the joint governance of various areas. Policies are reviewed annually, and the materiality cycle will be reviewed every two years. We also conduct regulatory and sectoral monitoring, ensuring any necessary adjustments or updates are made promptly.



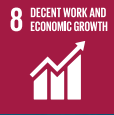
For detailed information about the report, sustainability strategies and on the management of ESG (environmental, social and governance) aspects, please e-mail Treasury & Investor Relations at treasury.ri@vwfs.com.

Impacts of material topics and connection with the strategy

Material topics	Approach (what we do)	Extent of impacts* (who we impact)	Related GRI aspects/ content	Ambitions	Status	Correlated SDGs
Atmospheric emissions	<ul style="list-style-type: none"> Annual greenhouse gas emission inventory Analysis of SECR (social, environmental, and climate risk) integrated into the credit analysis process by means of an SECR questionnaire. Environmental and climate stress testing conducted pursuant to the Brazilian Central Bank regulations Mandatory use of ethanol in the flex fuel vehicles in the company's fleet and use of electric cars Environmental clauses in contract templates used for customers, suppliers and investors Structuring of the Social, Environmental and Climate Responsibility Policy 	Employees, customers, business partners, suppliers and society	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	To be carbon neutral in our facilities by 2030 and direct efforts to decarbonize the portfolio	30% achieved	
Energy management	<ul style="list-style-type: none"> Monitoring the consumption and use of equipment to reduce/optimize use Implementation of the Green IT and Green Operations programs 	Employees and society	302-1, 302-2, 302-3, 302-4, 302-5	Migrate the energy matrix to renewable sources by 2025	100% achieved	

* The extent of the impacts indicates the main locations and audiences, inside and outside the organization's operations, for which the material topics are more critical.

Material topics	Approach (what we do)	Extent of impacts* (who we impact)	Related GRI aspects/ content	Ambitions	Status	Correlated SDGs
Product life cycle management	<ul style="list-style-type: none"> • Proper disposal of administrative waste • Creation of products and services focused on sustainable mobility, diversifying the portfolio and business 	Employees, customers, business partners and society	413-1, 413-2, 416-1, 416-2, FS1, FS2, FS3	Reduce emissions caused by the generation of waste by 50 percent and develop new products in light of electrification and the use of biofuels by 2025	Currently in the implementation phase	
Diversity and inclusion	<ul style="list-style-type: none"> • Selection process and affirmative actions • Inclusive management program • Continuous monitoring of indicators and expansion of the representation of minorities in the talent pool in preparation for leadership positions 	Employees, customers, business partners and society	202-1, 405-1, 405-2, FS14	Increase the representation of women and minority groups in leadership	70% achieved	 
Human rights and community relations	<ul style="list-style-type: none"> • Human Rights social clauses in contract templates used for customers, suppliers and investors • Social actions undertaken in the bank's operational territories 	Employees, customers, business partners and society	202-2, 406-1, 408-1, 409-1, 410-1	Strengthen social actions in the territories where we operate	80% achieved	

Material topics	Approach (what we do)	Extent of impacts* (who we impact)	Related GRI aspects/ content	Ambitions	Status	Correlated SDGs
Employee health and safety	<ul style="list-style-type: none"> Adoption of the biopsychosocial model throughout the employee medical monitoring cycle, from the admission examination Outpatient care on the premises of the administrative building 	Employees	401-2, 401-3, 403-1, 403-2, 403,3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	Promote preventive health for 100 percent of the employees by 2025 by means of an internal healthcare program	50% achieved	
Ethics/privacy and data security/risk management	<ul style="list-style-type: none"> Robust integrity and compliance programs Stress test conducted pursuant to the Brazilian Central Bank regulations Structured and monitored internal policies and processes 	Employees, customers, business partners and society	205-1, 205-2, 205-3, 207-2, 207-3, 418-1, FS9	Achieve advanced maturity in relation to national and international market assumptions, with coverage of up to 80 percent of the main ESG frameworks until 2025	100% achieved	
Resilience of the business model	<ul style="list-style-type: none"> Sustainability defined as one of the five strategic pillars of the next cycle of Volkswagen Financial Services' global strategy Setting of targets and indicators through the ESG Committee with the aim of creating new initiatives and projects 	Employees, customers, business partners and society	FS4, FS5, FS7, FS8	Establish the ESG Factor in the composition of executive bonus payments by 2024	100% achieved	

Form of management

GRI 2-13, 3-3

ATMOSPHERIC EMISSIONS

During the period covered by this report, the ESG and Sustainability Committee focused its efforts on implementing related actions.

The highlight was the successful completion of the first mapping of scopes 1, 2, and 3 greenhouse gas emissions, with scopes 1 and 2 being awarded the Gold Seal by the Brazilian GHG Protocol Program.

Our social, environmental, and climate risk analysis (SECR) is integrated into the credit analysis process through the SECR questionnaire, documentation analysis, and environmental and climate stress tests, pursuant to Central Bank of Brazil regulations and the Brazilian legislation.

Two significant measures to mitigate real negative impacts related to this topic are the mandatory

use of ethanol in company fleet vehicles that has subsidized fuel, and the proper disposal of work waste generated at the company's headquarters.

We also developed products with a focus on sustainability, primarily emphasizing electric cars and the use of biofuels.

Contracts with customers, suppliers, and investors include environmental and human rights clauses, and they are guided by our Social, Environmental, and Climate Responsibility and Risk Policy, which has been in effect since early 2023.

To manage actual potential positive impacts, the company sets goals and indicators through the ESG & Sustainability Committee, aiming to develop new initiatives and projects.



Our goal is to be carbon neutral by 2030. We intend to monitor the decarbonization plan, the Annual Report, and the Social, Environmental and Climate Risk Management Report (GRSAC in the Portuguese acronym) through the ESG and Sustainability Committee, made up of members from all areas of the business, and the Executive Committee, formed by the board of directors.



Read more under
Environmental
performance

RESILIENCE OF THE BUSINESS MODEL

The organization's highest governance body leads and delegates impact management to a specific executive, who holds the position of HR, Communication and Sustainability Officer.

This executive and the ESG & Sustainability Executive Management are responsible for developing sustainability strategies and integrating them into the company's processes, evaluating and monitoring sustainable performance, ensuring compliance with regulations and standards, engaging stakeholders, publishing reports, educating and raising awareness, and assessing risks and opportunities.

Impacts are monitored and reported through performance reports, executive presentations, specific reports, the Sustainability and ESG Committee, a performance monitoring system, and governance meetings, occurring continuously, monthly, and quarterly.

In managing this material topic in 2023, VWFS Brasil did not identify any negative financial, reputational or operational impacts. On the other hand, it recognized the real positive impact of incorporating the ESG factor into executive bonus payments, a long-term measure lasting ten years that will have a systemic impact.



The company adopts policies and practices that go beyond legal requirements to deal with the issue. It is addressed in internal policies such as the remuneration policy, disclosed in the annual report. The topic is under the responsibility of the HR, Communication and Sustainability Department and of the HR Executive Department.

Measures taken include context analysis, definition of measurable goals, clear policies and procedures, engagement of stakeholders, and the definition of impact mitigation and repair goals. Measure effectiveness is verified by means of impact assessments.

PRODUCT LIFE CYCLE MANAGEMENT

Our goal for assessing progress on this material topic is to set reduction targets for scope 3 emissions and to develop new products focusing on electrification, hybridization, and the promotion of the use of renewable fuels. In 2023, we completed our decarbonization plan and, for 2024, we will develop projects that involve actions to reduce greenhouse gases.

During the year, we identified no negative impacts in financial, reputational or operational terms. One measure that had real positive impact was an engagement marketing campaign that encouraged customers to use biofuel. The initiative will continue in the next cycle.

Additionally, we bolstered our biofuel use policy within the internal fleet, resulting in a 100 percent reduction in diesel usage – we no longer operate diesel-fueled vehicles in the internal fleet. We reduced gasoline usage by 50 percent and increased ethanol usage by 50 percent.

ENERGY MANAGEMENT

Our ambition is to meet 100 percent of the organization's demand for electricity through renewable sources. In 2023, we made important progress in acquiring energy via the International Renewable Energy Certificate (I-REC).

We also implement mitigation measures, including setting specific resource efficiency targets. Measure effectiveness was confirmed by means external performance assessments. We are investigating migrating to the free energy market.



Our first mapping of scopes 1 and 2 of GEE emissions was awarded the Gold Seal of the Brazilian GHG Program

DIVERSITY AND INCLUSION

The Executive Management of Culture, Development and Diversity is responsible for measures to prevent, mitigate and repair impacts related to the Diversity and Inclusion material topic. Included in the company's commitments are impact definition, context analysis, resource allocation, and investment in expert diagnosis. This diagnosis helps identify facilitators and barriers to creating an inclusive culture.

In the cycle covered by the report, the company identified potential negative financial and reputational impacts related to the management of this topic. One measure to mitigate these impacts was the enhancement of the functional assessment process for people with disabilities, ensuring accessibility resources. We also revised the internal recruitment method regarding the naming of positions.

The positive impacts mapped include the structuring of biopsychosocial corporate health, with actions to support mental health issues. We also have a team dedicated to inclusion, diversity and accessibility. This is reflected in inclusive relationships with customers, employees, outsourced workers, suppliers, business partners and NGOs. In the context of the economy, the company aims for inclusive relationships in procurement.



Check out more information
in the chapter on People

EMPLOYEE HEALTH AND SAFETY

To prevent or mitigate negative impacts related to this topic, we strategically align the health program with medical care at the main office building. Similar to the material topic of Diversity and Inclusion, we adhere to the biopsychosocial model, which provides a holistic view of employees, considering various aspects of human diversity.

Real negative impacts are managed through the governance of the Internal Accident and Harassment Prevention Committee, as well as by organizing the Internal Accident Prevention and Environment Week (Sipatma).



Our objective regarding this topic is to promote preventive health among employees, with the goal of having 100 percent of the employees enrolled in the preventive health and well-being program.

Management approaches related to Human Rights and community relations, Ethics/Privacy, and data security/Risk Management will be discussed throughout the report.

VWFS Brasil

- Who we are and what we do
- Governance structure
- Ethics and integrity
- Our performance in ESG & Sustainability



Who we are and what we do



687

dealerships offer our products and services throughout Brazil

GRI 2-1, 2-6, 2-23

Volkswagen Financial Services Brasil (VWFS Brasil) is the largest financial institution with ties to an automaker in Brazil, Volkswagen, one of the largest automotive groups in the world.

Headquartered in São Paulo (SP), we are a closed joint-stock company with operations in all Brazilian states. We operate through a network of 687 dealerships, 1,904 points of sale and a team comprising 656 professionals.

Our focus is on boosting customer mobility. We facilitate the purchase or rental of passenger cars, commercial vehicles, trucks, buses and motorcycles.



One of our key competitive advantages is our diverse portfolio. We offer financing, consortia, insurance, financial leasing, fleet management and mobility, for a total of 14 services.

VWFS Brasil has BRL 42.9 billion in assets and an AAA rating among local credit rating agencies. We operate with a solid financial structure and a resilient business model.

In 2023, the company operated with the brands Volkswagen, VW Caminhões, Audi, Porsche and Ducati. It also strengthened its position in the segment of pre-owned vehicles of other brands, through the Car Bank business vertical.

We are in the corporate fleet outsourcing business, through the controlled company LM Soluções de Mobilidade.

We ended the year with 804,509 contracts, of which 465,975 were Direct Consumer Credit (DCC); 275,903 insurance; 58,703 consortium; 3,714 via the Special Industrial Financing Agency (Finame), and 214 leasing contracts.

During the reporting period, VWFS Brasil kept the structure of its subsidiaries and majority-owned subsidiaries unchanged. There were no mergers, acquisitions, or disposals of entities or parts of entities.

VWFS Brasil is formed by the companies Volkswagen Participações Ltda, Banco Volkswagen S.A., Consórcio Nacional Volkswagen - Administradora de Consórcio Ltda., Volkswagen Corretora de Seguros Ltda., Volkswagen Serviços Ltda., and Volkswagen Administração de Negócios Ltda.

Under the same controlling company, there are entities not included in the financial statements and sustainability reports, such as Simple Way Locações Serviços S.A., LM Transportes Interaduais, Serviços e Comércio S.A., and LM Comércio de Veículos Seminovos S.A.

Network of suppliers

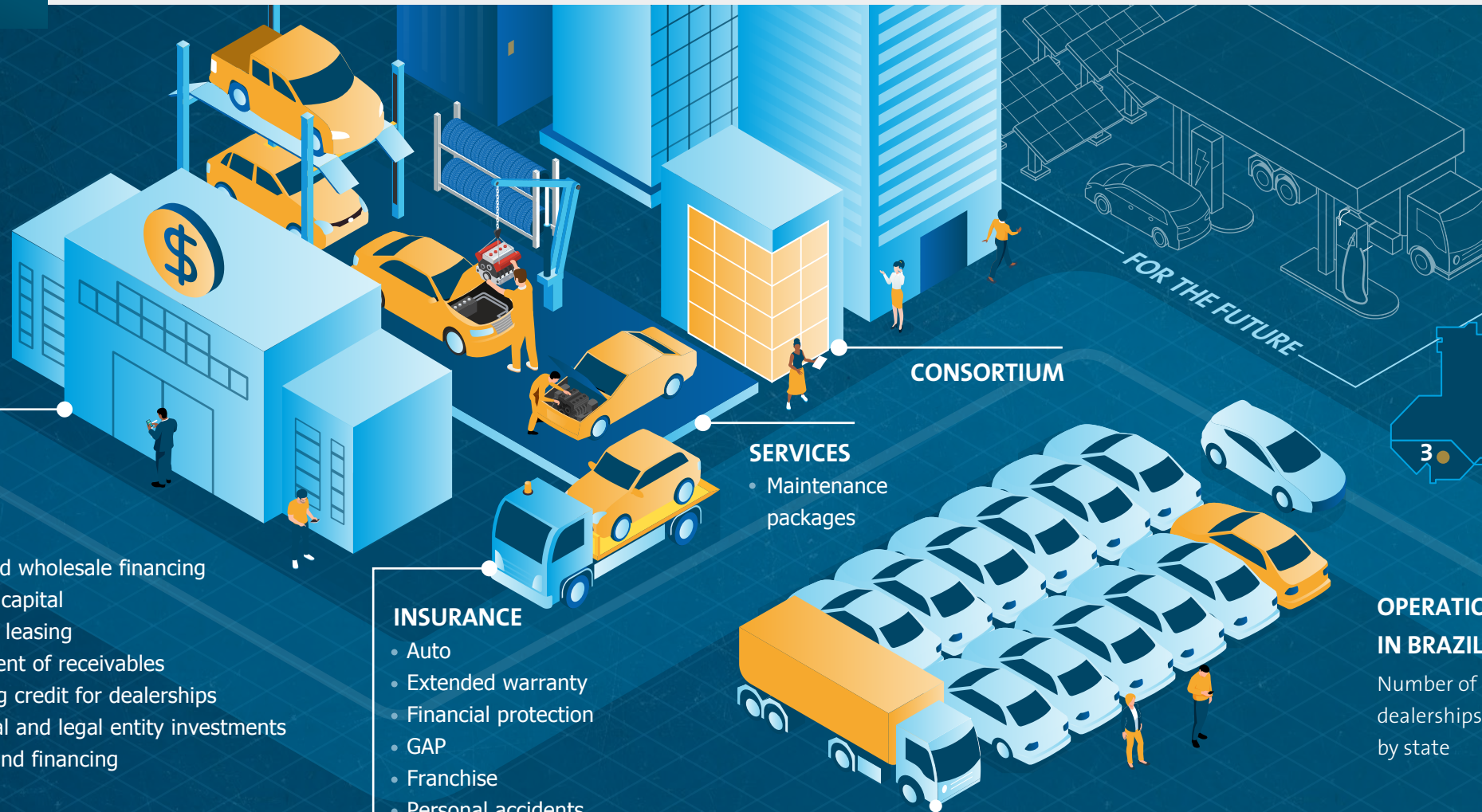
Our value chain includes 708 suppliers of administrative and consulting services, involved in the following activities:

- sales and marketing;
- finance and accounting;
- human resources;
- information technology (IT);
- customer service;
- strategy and planning;
- procurement and supplies;
- corporate social responsibility, legal and compliance;
- digital marketing and
- online presence.

In 2023, the estimated value of payments made to these suppliers was BRL 585.16 million. During the year, there were no significant changes in the organization's activities, products and services, nor in the supply chain.

Our downstream activities include subcontractors and outsourced workers, marketing and advertising partners, and banks and financial institutions.

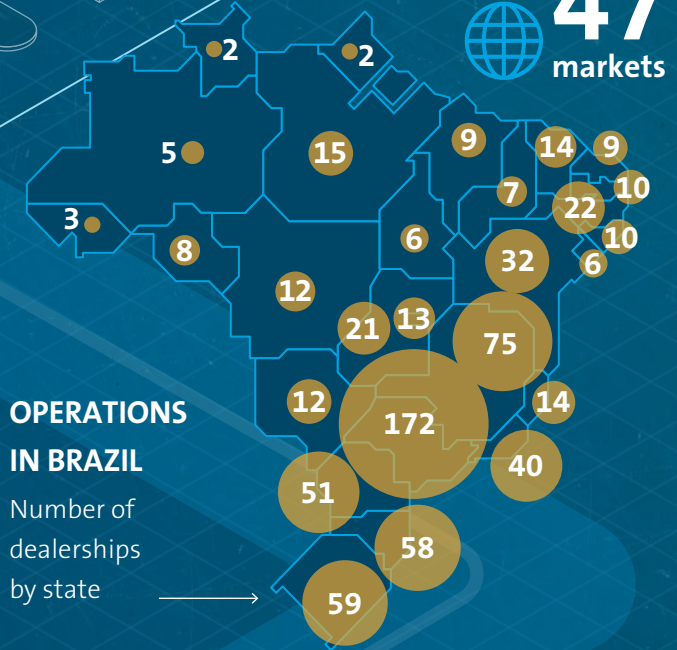




PRODUCTS

- Credit card receivables anticipation
- New insurance modalities

Present worldwide in **47** markets



OPERATIONS IN BRAZIL

Number of dealerships by state

BANK

- Retail and wholesale financing
- Working capital
- Financial leasing
- Assignment of receivables
- Revolving credit for dealerships
- Individual and legal entity investments
- Multi-brand financing

INSURANCE

- Auto
- Extended warranty
- Financial protection
- GAP
- Franchise
- Personal accidents

SERVICES

- Maintenance packages

CONSORTIUM

MOBILITY

- Fleet management
- Vehicle leasing
- Resale of pre-owned cars
- Subscription for individuals
- Leasing for employees
- Subscriptions for cars and trucks
- Rental for app drivers

Number of dealerships by brand



Total

687

Complete portfolio of products and services

We represent the group's five brands: VW, Audi, Porsche, Ducati and VWCO

Values under management

VWFS has under its management
BRL 55.1 billion in assets
that generated a
net profit of BRL 513 million
(combined pro forma in 2023)
in its mobility ecosystem



Consolidated Banco Volkswagen

Assets

BRL **42.9** billion

Net profit

BRL **353** million

Active contracts

804,500



Consolidated LM Soluções de Mobilidade*

Assets

BRL **12.2** billion

Net profit

BRL **160** million

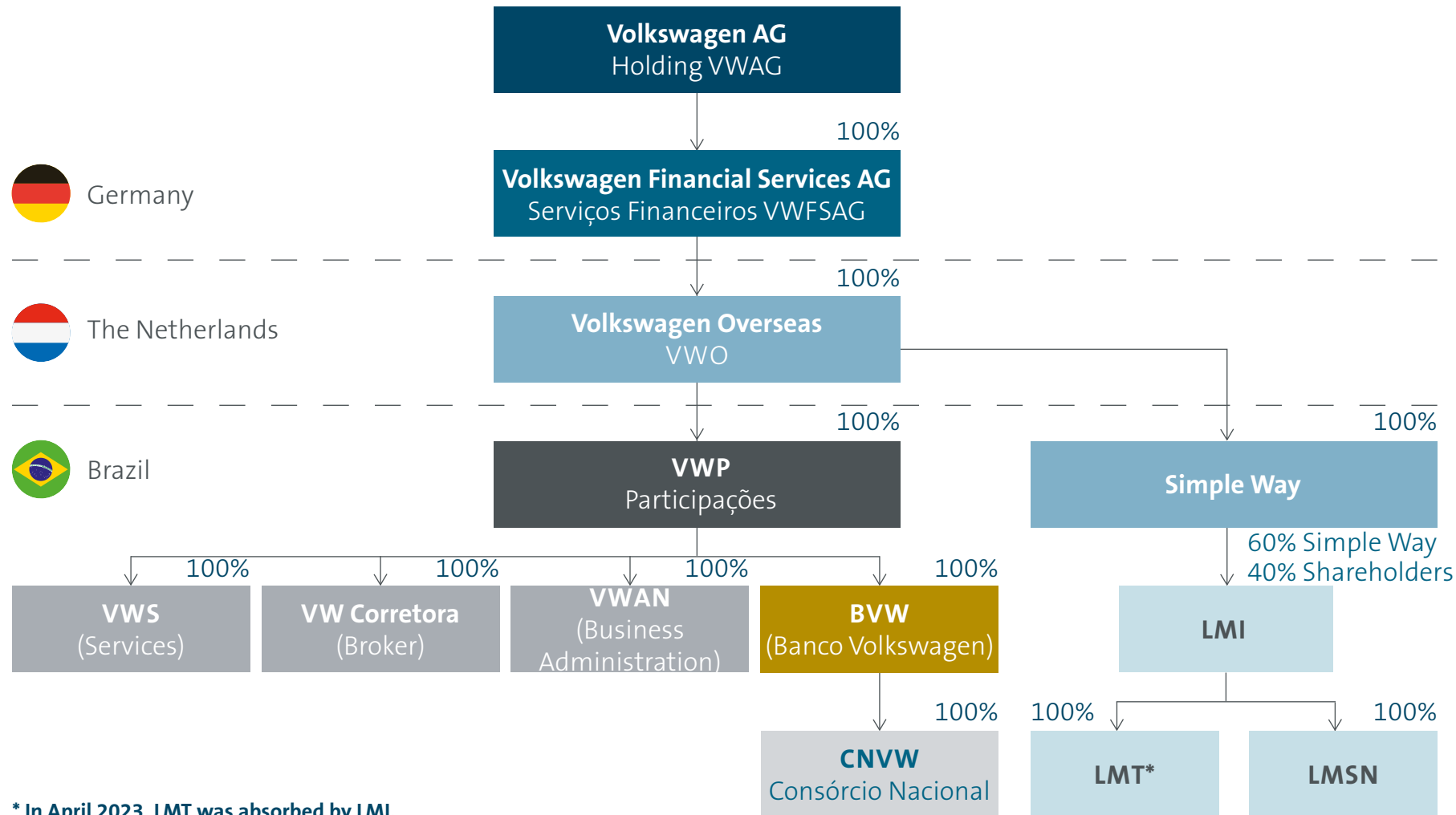
Total fleet

86,000 vehicles

* LM Mobilidade has a corporate structure separate from the core of Banco Volkswagen, as per the organizational chart on the following page.

VWFS | Corporate Structure

Banco Volkswagen is a key element of the Volkswagen Group in Brazil



* In April 2023, LMT was absorbed by LMI.

- BVW - Banco Volkswagen S.A.
- CNVW - Consórcio Nacional Volkswagen - Administradora de Consórcio Ltda.
- LMI - LM Transportes Interestaduais Serviços e Comércio S.A.
- LMSN - LM Comércio de Veículos Seminovos Ltda.
- SIMPLE WAY - Simple Way Locações e Serviços S.A.
- VW Corretora - Volkswagen Corretora de Seguros Ltda.
- VWAG - Volkswagen AG - Germany
- VWAN - Volkswagen Administradora de Negócios Ltda.
- VWFSAG - Volkswagen Financial Services AG - Germany
- VW Overseas - Volkswagen Finance Overseas B.V. - Netherlands
- VWP - Volkswagen Participações Ltda.
- VWS - Volkswagen Serviços Ltda.

Mobility is our business

GRI 2-23

The year marked the consolidation of VWFS Brasil's image as a comprehensive, sustainable, digital and flexible mobility platform, which goes beyond the traditional financial services model of the automotive industry. This change is in line with Volkswagen Group's global decarbonization strategy, [mobility 2030](#).

We made progress in the vehicle subscription business, with flexibility and without bureaucracy, by means of the Sign & Drive solution; and in leasing, through the [LM Mobility Solutions](#) subsidiary, which, in this cycle, will post its own annual report.

We hired over a hundred new employees for the Car Bank brand team, which provides customized financing for pre-owned vehicles. The results are encouraging in a segment that is expected to expand rapidly in the coming years.

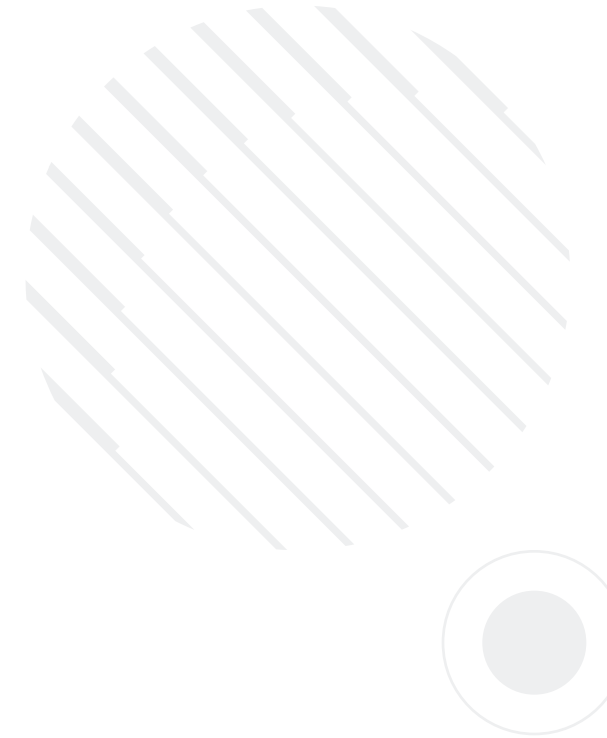
In January, we officially joined the UN Global Compact, the world's largest corporate sustainability initiative, which includes over 21,000 participants across 65 local networks in 162 countries. Participants in the Pact are dedicated to contributing to the achievement of the 17 Sustainable Development Goals (SDGs).

The company is the first bank associated with an automotive group to join the Global Compact Brazil Network, which aims to strengthen partnerships between the UN System and Brazilian civil society.

Regarding the environment, we actively work to reduce GHG emissions. Our initiatives include promoting the use of ethanol in our flex-fuel fleet, which slashes carbon and other gas emissions by up to 90 percent, and marketing efforts to encourage customers to use renewable fuels.

In the field of diversity and inclusion, we created programs such as "Representa," to encourage the hiring of black and brown people.

We are the first bank linked to an automotive group to join the Global Compact Brazil Network





We also have affirmative actions to value people with disabilities.

It is a source of pride for the company that 40 percent of leadership positions are held by women.

We adopt actions to value talent, bring employees closer to leaders and strengthen community engagement.

VWFS Brasil adopted the banking self-regulation standard of the Brazilian Federation of Banks (Febraban), achieving 99 percent overall compliance. Additionally, it once again was granted the Justice Friendly Company seal by the State of São Paulo Court of Justice.

Robust in governance and compliance, the company continues to adhere to the parameters of Together4Integrity (T4I, Together for Integrity), the most comprehensive program to strengthen ethics and integrity in Volkswagen Group's business.



Read more in Strategy
and Future Vision



Cultural identity

VWFS Brasil's cultural transformation toward sustainability in all its dimensions is founded on three pillars: People, Customers and Results.

In the People pillar, in practical terms, this means acting with a sense of ownership, learning from our mistakes and successes, and speaking up when necessary, with respect.

We understand and meet the customer's needs. We provide the best journey possible. We build long-term relationships that can translate into sustainable businesses.

To achieve results, we demonstrate ambition and ensure consistent and sustainable outcomes. We recognize and celebrate achievements.



MISSION

(our reason for being)

We meet our customers' mobility needs with sustainable solutions throughout the vehicle's entire lifecycle.



VISION

(our reference)

We are the key to mobility.



VALUES

(our principles)

- Trust
- Courage
- Focus on the customer

Governance structure

GRI 2-9

VWFS Brasil's governance structure is strongly supported by internal policies and procedures aligned with regulatory standards and Volkswagen Group guidelines.

We follow best market practices and local and international governance benchmarks. Currently, there is a dedicated policy for managing committees, supported by regulations.

The institution has an Executive Committee and 11 other committees. Of these, three are regulatory, two are internal committees required by VWFS AG' headquarters, and six are technical.

Learn more about the roles and responsibilities of the main committees in their three areas of activity:



Regulatory committees

The Risk Committee advises the Executive Board and oversees issues related to the topic. Its main function is to make recommendations about:

- risk appetite levels;
- policies;
- risk and capital management strategies and limits.

The Remuneration Committee reviews and approves fixed and variable compensation programs at annual meetings.





Regulatory committees

The Credit Committee is responsible for assessing and making decisions on loans involving significant amounts. It follows the definitions set forth in the credit policy.

The Integrity Committee oversees social topics, monitors the evolution of knowledge and the adoption of the principles and practices of the Together4Integrity (T4I) program, which involves continuous actions related to integrity and compliance to ensure the reliability of our processes, products and services.



Technical committees

The ESG & Sustainability Committee oversees environmental, social and governance topics.

The Customer Committee addresses matters related to customer service, experience and satisfaction.

The Data Protection and Privacy Committee has the role of ensuring adequate decision-making regarding the procedures to be adopted in situations involving data processing and privacy.

The Finance Committee is responsible for evaluating Treasury results, risks and products.

The Digitalization and Technology Committee evaluates the portfolio, analyzes and monitors new projects and sets priorities.

The Pricing Committee examines factors such as competitiveness, rates, and product timelines.

Climate governance

TCFD 1a e 1b

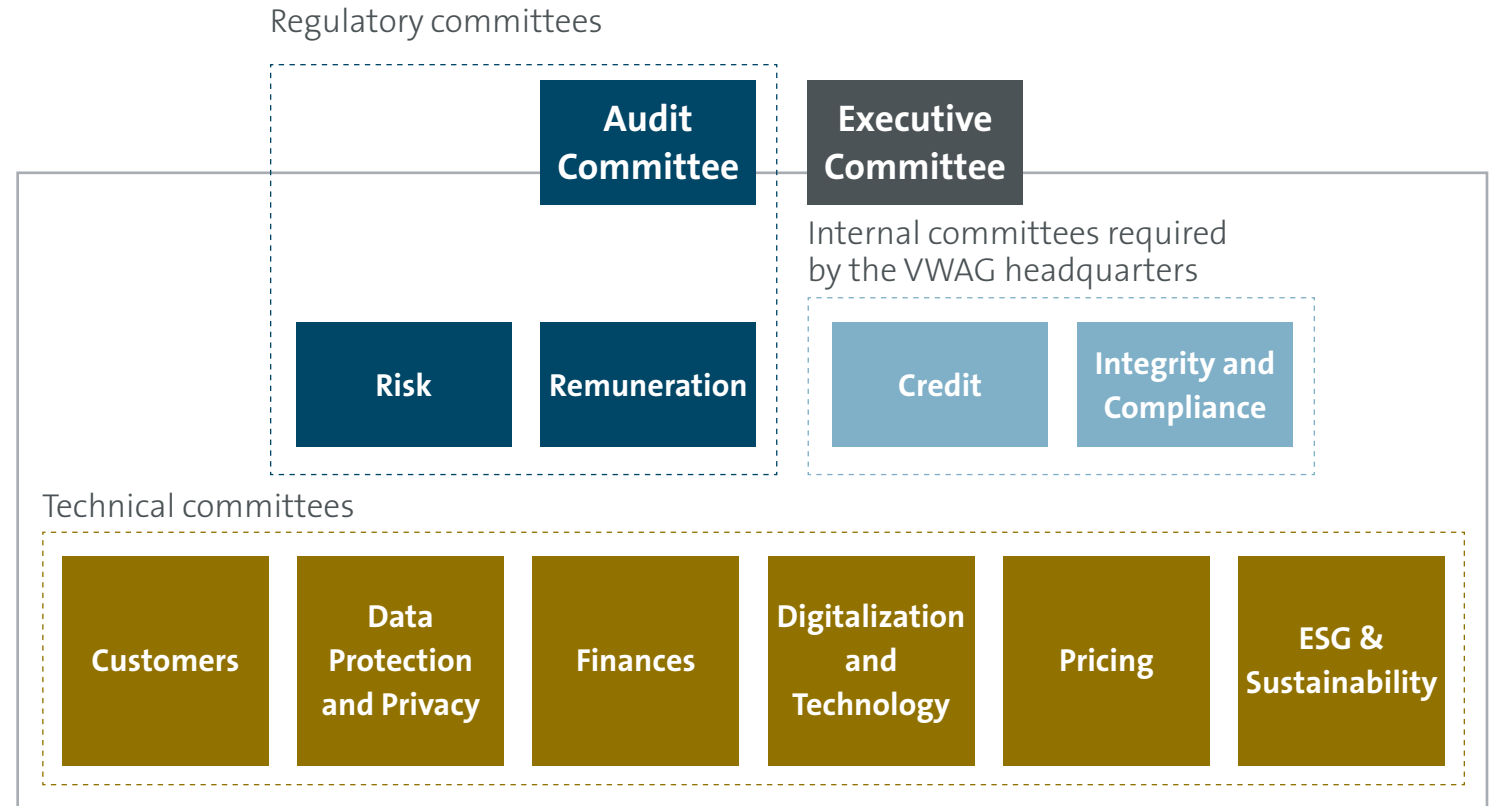
At VWFS Brasil, the organizational structure associated with climate governance comprises the Executive Committee, the Human Resources, Communication and Sustainability Board, the ESG & Sustainability Executive Management, and the ESG & Sustainability Theme Squads.

Responsibilities related to this topic include evaluating and managing indicators, the climate governance process (such as the GHG inventory), integrating climate analysis into credit and supplier evaluations, and implementing pilot projects aligned with the company's decarbonization efforts.

Management is regularly briefed on climate matters through the ESG & Sustainability Committee in quarterly meetings. Additionally, the Executive Committee receives a monthly summary and a semi-annual report, and may be set into motion for specific or regulatory decisions.

Climate issues are considered in credit analysis for relevant customers and suppliers, and decarbonization pilot projects guide annual strategic actions.

Governance committees



From 2023, executive remuneration bonus composition will be evaluated based on the ESG factor (read more in Remuneration policies).

Executive Committee

GRI 2-9, 2-10, 2-11, 2-14

VWFS Brasil has two Managing Directors: A CEO, who also holds the position of Regional Manager for South America and reports to the Board in Germany, and a CFO, who reports to the CEO.

The Executive Committee is the highest governance body at VWFS Brasil. It is responsible for making decisions and overseeing the organization's impacts on the economy, sustainability, and personnel management, as well as for approving the information contained in this annual report.

Formed by the governing body, the Executive Committee is a forum for confidential and strategic issues. Its Chairperson is the CEO, who accumulates this role.

As a privately held corporation, we are exempt from having a Board of Directors, in accordance with the Corporations Law.

For the same reason, we do not have a specific process for nominating and selecting advisors to the highest governance body and respective committees.

The Executive Committee's board is made up of seven officers, four of whom are also statutory – CEO, CFO, CRO and Legal Affairs. All have executive roles as administrators, with two-year terms and holding additional positions in other organizations or bodies.

Its members do not belong to underrepresented social groups nor do they represent specific groups of stakeholders. Everyone exercises independent judgment in relation to the organization, that is, free from any external influences or conflicts of interest in relation to existing committees.

Technical and regulatory committees support the senior management's decisions. The committees have autonomy over their informational and decision-making agendas.



Changes in the Executive Committee

In August 2023, VWFS Brasil implemented changes to its Executive Committee. Marketing director Simone Moras also took over the Sales Department. Finance director Ricardo Paixão took over Risk, Credit and Collections. Leonardo Rocha, then Risk, Credit and Collection director at VWFS, assumed the position of CFO at LM Soluções de Mobilidade.

Appointment and selection

GRI 2-18

The Human Resources department conducts thorough evaluation processes for all Executive Committee directors. These assessments adhere to the organization's guidelines and are approved by the company's headquarters, VWFSAG.

In response to assessments, the organization promotes training and development programs, in addition to adjusting reward and incentive systems.

The choice of committee members considers:

- professional experience;
- educational background;
- knowledge of the financial market;
- technical knowledge in compliance;
- governance, and
- code of conduct.

Primarily, the selection of committee members is based on the position held by the participant and the topics discussed in each forum. The approval criterion is the relevance of the topic to the institution.

Non-executives may participate, depending on the information topics discussed in the forum. The following procedure must be observed to establish committees:

- The requesting department contacts the Compliance Department and proposes the creation of the committee;
- This proposal states the purpose, name, members and frequency of the committee;
- The Compliance Department conducts a prior assessment and directs the creation request to the Executive Committee for a vote.

The appointment of committee members is subject to evaluation by the members of the Executive Committee.



Executive Committee



Rodrigo Capuruço

Managing Director -
CEO and South America
Regional Manager



Pieter Griep

Managing Director
- CFO



Simone Moras

Marketing
and Sales Director



Felipe Oliveira

Director of
Information
Technology



Marco Aurélio de Castro

Director of Human Resources,
Corporate Communications
and ESG & Sustainability



Eduardo Portas*

Sales Director



Luis Fabiano Penteado

Legal,
Compliance and
Integrity Director



Ricardo Paixão

Director of Risk, Credit
and Collection

* Member until September 30 2023.

Remuneration policies

GRI 2-20, 2-21, 202-1, 202-2, 405-2

The bonus system currently practiced for VWFS Brasil executives is worldwide and follows the “We instead of I” philosophy, that is, it strengthens the sense of group and focuses on joint performance.

Current components consider both local and group performance. We also consider compliance and integrity issues.

In 2023, we integrated environmental, social, and governance goals into the company's senior executives' variable remuneration. Monitoring will be conducted using key metrics, including the decarbonization index and diversity index, with a focus on women in leadership positions.

The remuneration committee is responsible for reviewing and approving the remuneration policy. The remuneration consultant provides decision-making advice with market information (compensation survey) and internal balance analysis.

Performance assessment

The methods for evaluating team performance adhere to the same principles across all organizational structures. The team is given objectives related to strategic demands annually. Behavioral aspects also make up the final assessment.

This process includes self-assessments, individual development plans, evaluations by immediate leaders, and corrective actions.

Although the assessments use a tool contracted from an external supplier, it is not considered independent. In response to the results, we implement training programs. We also adjust reward and incentive systems.



It is up to the headquarters in Germany to decide on the remuneration of the organization's main executives. Meanwhile, top executives are responsible for deciding the remuneration of first liners (first line of executive leadership reporting to the Executive Committee).

We do not disclose the results of voting by stakeholders (including shareholders) on remuneration policies and proposals. This process is transparently overseen by the Remuneration Committee, which considers stakeholder dialogue, including with shareholders, and input from specialized consultants.

The remuneration policy is regularly reviewed, relying on salary surveys of the leading companies in the segment. As a rule, the Executive Committee discusses the topic and validates the strategy.

The company has seven board members working in its operational units, all locally recruited. The ratio of the total annual remuneration

of the highest-paid individual to the average total annual remuneration of all employees (excluding the highest paid) is 17.69.

VWFS Brasil sets the local minimum wage as the foundation for payment, guaranteeing that all employees receive remuneration above this level. All operational units are relevant.

The ratio between the lowest salary and the minimum wage is 194.93 percent for men and 203.76 percent for women





Criteria in force in 2023

GRI 2-19

Fixed and variable remuneration

The company conducts an annual salary survey to assess the competitiveness of fixed remuneration for professionals, middle management, and executives. This survey covers the main players of the segment:

- retail banks;
- investment banks;
- captive banks;
- digital banks;
- financial institutions linked to retail banks;
- payment method companies, and
- benefits administrators.

A comparative analysis is made for each position, with a view to increasing the accuracy of the comparison of our staff with the market.

For each category, a salary grid is prepared in five steps with a range varying from 60 percent to 100 percent, depending on the employee's category.

These steps may be made horizontally due to salary increases for performance that exceeds expectations.

Promotions may occur both through increments of more complex activities within the current position and through moves to hierarchically higher positions.

Profit Sharing (PS) for professionals and middle management is based on salary multiples for each category, which consider the company's financial results.

The calculation considers the performance review: 70 percent of the value is indexed to the achievement of individual objectives, and 30 percent to the assessment of skills.

The bonus model for executives is aligned with the group's philosophy, which emphasizes teamwork and joint efforts to achieve corporate goals and results. The calculation is based on both local and global indicators, including the group's various brands.

In 2023, ESG targets were incorporated into the bonuses. The ESG factor is based 50 percent on the decarbonization index at the Volkswagen Group level and 50 percent on the participation of women in leadership positions, evaluated at the brand level, i.e., VWFS in the world.

In 2023, we integrated environmental, social, and governance goals into the senior executives' bonuses

Attraction or retention bonus or payment or recruitment incentives

The organization may seek professionals on the market for given positions that require specific knowledge. This also applies to internal positions without successors ready to fill them.

In these cases, a one-off payment is offered as a bonus for attracting and, eventually, retaining the professional. This amount will be indexed to the person remaining at the company for a minimum period.



Severance payment

Severance payments are made in accordance with the current legislation.

Return of bonuses and incentives (clawback)

Clawback clauses are based on the following principle: If we identify deviation in personal conduct, such deviation will be evaluated by the Integrity Committee, which may reduce or request a reimbursement of the full amount of the bonus.

Retirement benefits

VWFS Brasil has a closed pension plan. A table establishes the sponsor's contribution, which is based on salary ranges.

The organization makes monthly contributions to the benefit accounts linked to employees. This applies to all categories, regardless of voluntary contribution.

Management oversight

GRI 2-12, 2-13, 2-16

In overseeing impact management, the Executive Committee's role includes setting guidelines, strategic supervision, and approving policies for sustainable development. Senior executives lead strategically, defining mission and values, developing strategies and communicating externally.

We employ various processes to identify and manage economic, environmental, and social impacts. These processes encompass due diligence, financial risk assessment, supply chain analysis, monitoring of economic indicators, assessing environmental impact and the carbon footprint, promoting skills development and employee well-being, managing corporate social responsibility, and engaging with stakeholders.

The results of these processes are integrated into business management. We integrate metrics and indicators in risk and opportunity assessments, discussions, and deliberations, as well as in accountability, external communication, continuous monitoring, and strategic decisions.

The Compliance Department, together with senior management, is responsible for governance management at VWFS Brasil. It monitors regulatory updates that may impact the institution on a daily basis. It is also in close contact with headquarters to address any updates to the ethics and conduct guidelines.

Crucial concerns are communicated to the Executive Committee through periodic reports and presentations, formal board meetings, internal and external audits, strategic analyses, and reviews of legal issues, among other means.

The organization does not have a consolidated number of reported concerns. These concerns may be reported by all business areas and are not centralized in the Compliance area.

Our model foresees the adoption of a single Code of Conduct for the entire Volkswagen Group, subject to adjustments to local legislation. In 2023, we launched a new Code of Conduct for the entire organization.

Every year, the area prepares communication and training plans that include ethics, conduct and integrity, among others. During the cycle of this report, the organization promoted training on all compliance-related topics.



The Integrity and Compliance Committee, consisting of the directors of compliance and human resources and of the internal audit manager, participates in the approval of these plans.

The CEO also attends all integrity workshops the institution promotes, demonstrating the senior management's support for the Compliance Program.

In organizational meetings, senior management emphasizes the message of integrity, compliance and the institution's commitment to the environment and human rights.



The Executive Committee also frequently discusses corporate strategy, in line with Volkswagen Group's global guidelines.

The Compliance Department implemented mechanisms to ensure the institution adheres to the regulatory framework applicable to its business. This is done through the annual assessment of regulatory standards and group policies, based on criticality ratings.

Compliance also maps the institution's internal controls annually. The results are reported to the headquarters and to the Central Bank of Brazil.

These matters may also be addressed in a decentralized manner within the institution's various committees, such as:

- Risk Committee;
- People Committee;
- ESG & Sustainability Committee;
- Compliance & Integrity Committee, and
- Audit Committee.

Regulatory reports for the headquarters and the Central Bank of Brazil are the primary reporting tools for analyzing the business areas' impacts on compliance. This occurs mainly from the accounting, compliance and integrated risk management perspectives.



Fiscal and tax management

GRI 207-2, 2-11

At VWFS Brasil, the Executive Board is the primary governance body responsible for ensuring compliance with the company's tax strategy. The topic is managed through significant administrative involvement, encompassing compliance policies, training, integration into business processes, tax risk assessment, and tax transparency.

Our tax risks are identified and managed through assessments of the organizational structure, tax laws and regulations, internal audits, evaluation of transactions and partnerships, and monitoring of international implications.

We adhere to the principles outlined in the following documents:

- KRL 20 (*Konzernrichtlinie*, a German term meaning group politics);
- Code of Conduct;
- constitutional principles guiding tax law;
- VWFS Brasil brand group tax principles.



To ensure alignment and fiscal control, the company focuses on:

- Training and education;
- Internal audits;
- Efficient communication;
- Understanding of the governance structure;
- Clear definition of responsibilities and understanding of the governance structure;
- Fiscal risk control and assessment practices, transparency, accountability, disclosures and continuous monitoring.



Mechanisms such as corporate responsibility reports, ethics and compliance hotlines, internal ombudsman services, open communication channels, and independent reviews enable the reporting of concerns. External and internal audits, regular reviews and verification software ensure the accuracy of fiscal reports.

To adequately comply with tax obligations, the administration has instructed the Tax Department to establish a tax compliance management system. Fiscal risks to the organization are recorded, centrally controlled and monitored through this system.

The Tax Department is responsible for determining the specific tax risks of VWFS Brasil. It also defines mitigation measures, such as issuing tax-related work instructions and conducting training on tax matters.

Our Tax Department monitors all tax risks for the company through a compliance system

In Brazil, the relationship between the tax authority and the taxpayer is regulated through regulations, integration systems and administrative procedures.

As a result, only company officers and authorized attorneys are allowed to respond to regulatory bodies (tax authorities) on behalf of VWFS Brasil companies.

All physical or electronic documents related to ancillary obligations are submitted to the tax authorities through administrative systems or procedures regulated by laws, decrees, normative instructions, and provisional measures, among others.

All formal documents and correspondence (physical and digital) sent to regulatory bodies are signed by at least one attorney appointed by VWFS Brasil.



After receiving and analyzing specific tax demands, if it is determined that they need to be addressed, the procedure will be as follows:

- Presentation to senior management of tax opportunities and risks;
- Decision-making on how to address it (administrative or judicial);
- Presentation of an administrative challenge or filing of a lawsuit on a specific topic, with the support of in-house tax lawyers and specialized law firms.



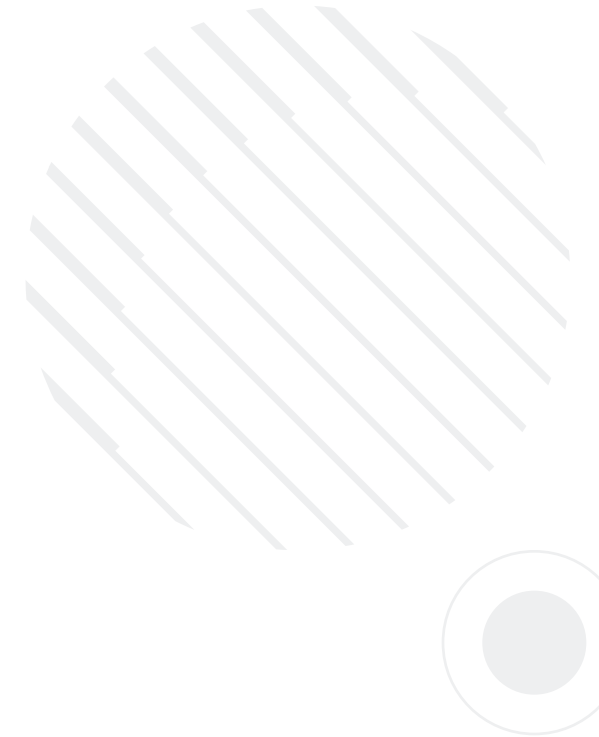
Conflicts of interest

GRI 2-15

The organization adopts multiple processes to prevent and mitigate conflicts of interest. They include:

- Clear policies and manuals;
- Public disclosure;
- Education and training;
- Integrity Committee;
- Maintaining transparent records;
- Regular reviews;
- Promoting an ethical organizational culture;
- Regulatory compliance;
- Isolation of parties involved;
- Internal controls;
- Internal and external audits.

Furthermore, the stakeholders are informed about specific conflicts of interest, such as cross-shareholdings in other management bodies, shareholding control and transactions with related parties.



The Compliance team adopts and publishes policies that address the issue and measures to mitigate it. Our Code of Conduct also guides employees on expected behaviors to minimize conflicts of interest. All employees sign statements on the topic every two years.

Upon hiring, every employee and intern receives the VWFS Code of Conduct. At this point, they state that they have received, read, understood and that they adhere to the principles described in the document. They also undertake to update the status whenever necessary.

If a conflict of interest is identified, it will be reported to the departments involved, which are HR, Compliance and other necessary areas, such as Legal.

The annual mapping of internal controls also considers potential conflicts in the execution of activities linked to the institution's key controls.

Information Technology (IT) Governance and HR act directly in evaluating the segregation of functions and access, mitigating potential conflicts. Compliance, HR and Governance interact on these definitions whenever necessary.



Upon hiring, all employees and interns receive the Code of Conduct



Ethics and integrity

GRI 2-23, 2-26, 2-28, 3-3

In 2023, we reinforced our compliance, money laundering prevention, anti-corruption and antitrust programs through training, communications, investments in technological innovation and stronger partnerships with the risk area.

As a result, we had positive evaluations from internal and external audits. The programs were also approved by the Central Bank of Brazil, our main regulatory body.

We were granted the Banking Self-Regulation Seal by the Brazilian Federation of Banks (Febraban) with 99 percent overall compliance. Certification aims to foster a more favorable environment of respect for consumers, ethical activities, efficient communication and continuous improvement.

Over the last five years, we have reduced our portfolio of adverse lawsuits by 44.7 percent, from 22,055 active lawsuits in December 2018 to 12,204 in December 2023.



The decrease resulted from our ongoing policy of creating straightforward and transparent contracts, implementing more efficient work processes, and maintaining respectful conduct in court.

This result was once again recognized. For the fifth consecutive year, the São Paulo Court of Justice granted VWFS Brasil the Justice Friendly Company Seal.



99%

is our compliance index
in the Febraban Banking
Self-Regulation Seal

We offer multiple mechanisms for advising and reporting complaints, as well as legal and regulatory non-compliances. They include training and qualifications, manuals, e-learning and a reporting channel.

As of June 1, the reporting channels for employees, business partners and suppliers of VWFS Brasil, which were in charge of the Internal Audit area, began to be managed by the Compliance team. The change aimed to strengthen the roles of each line of governance in the organization, as well as the compliance program.

In 2023, our most relevant participation in national associations and organizations were the Brazilian Federation of Banks (Febraban); the National Association of Credit, Finance and Investment Institutions (Acrefi); the Brazilian Association of Consortium Administrators (Abac), and the UN Global Compact Brazil Network.

Between 2018 and 2023, we reduced our portfolio of adverse lawsuits by 44.7%

Responsible business policy commitments

GRI 2-23, 2-24, 2-27

VWFS Brasil is committed to responsible business conduct, evidenced by policies such as Code of Conduct, Integrity Policy, Compliance and Prevention of Conflicts of Interest, Money Laundering and Terrorist Financing Prevention Policy, and Antitrust Policy.

Approved by the highest level of governance, board and management, these policies are publicly available and cover all of our stakeholders.

They are aligned with the standards of the International Labor Organization, the Global Compact and the Sustainable Development Goals (ODS) of the United Nations.

The main instrument that guides our responsible business procedure is the Code of Conduct, which was drafted and signed by senior management of

the Volkswagen Group. We revised this document in January 2023 to align it with the principles of the UN Global Compact.

The document follows international ethical principles and key laws related to preventing corruption, money laundering, and anti-competitive practices. It also addresses aspects such as respect for human rights, confidentiality and fair treatment of data, and information security.

At the time of hiring, all employees certify that they have received and read the Code of Conduct. Suppliers and business partners also receive a version of the document and confirm awareness of the corporate principles.

The commitments apply equally to all of the organization's activities and business relationships.

Our employees are informed about them over the intranet, via e-mail communications and through training. The Code is available to business partners and other stakeholders on the corporate site.

Ensuring adherence to the Code of Conduct is a daily obligation for every employee, including managers, who are tasked with offering guidance to their team members.

Led by the CEO, our board oversees adherence to the company's commitments, delegating responsibilities for their implementation at all organizational levels. This process involves setting clear goals, identifying those responsible at each hierarchical level and assigning responsibilities.

The Volkswagen Group also implements a dedicated integrity program, Together4Integrity, which is distributed to all employees and aligns with international standards.

During the year, the organization had no non-monetary sanctions, keeping the number of fines and sanctions at zero. However, the total value of fines for non-compliance with laws added up to BRL 851,367, BRL 25,000 of which referring to fines from previous periods that are still under judicial or extrajudicial discussion.

Our Together4Integrity program is based on international guidelines and disseminates the concept of integrity

The company assesses the significance of non-compliance cases based on factors such as legal complexity, monetary value, and reputational risk. We had no significant cases in the period.



Learn more about corporate governance at VWFS Brasil



Our performance in ESG & Sustainability

The ESG & Sustainability department of VWFS Brasil collaborates in a matrix structure with other company departments, forming an organizational tripod that includes:

ESG & SUSTAINABILITY COMMITTEE

This Committee has representation from all areas of the business responsible for driving the strategy for the topic and it supports the Executive Committee.

EXECUTIVE SQUADS

Multifunctional teams formed by all areas of the company and organized according to project topics. They are responsible for executing strategic and regulatory actions, involving the three ESG pillars – environmental, social and governance factors.



They operate through projects tailored to meet the company's specific needs. Governance with team leaders takes place through weekly meetings. Deliveries follow the execution and project management script for each job. In total, 40 people are involved in 15 themed squads.

ESG & SUSTAINABILITY EXECUTIVE MANAGEMENT AND LEGAL DEPARTMENT

These areas manage ESG & Sustainability.



Duties of the ESG and Sustainability Committee

Created voluntarily in 2022, our ESG & Sustainability Committee has four main responsibilities:

- To advise and recommend to the Executive Committee matters related to ESG and Sustainability;
- To monitor the reporting of the ESG strategy goals and indicators panel;
- To discuss, evaluate, propose goals and review the ESG strategy in light of innovations, programs and initiatives, both from a legal point of view and in relation to best national and international practices, and
- To inform the Executive Committee, the Audit Committee and the Integrity Committee of situations involving ESG topics and potential risks to the company's image, reputation and assets.

Our ESG governance structure



Repair of negative impacts

GRI 2-25

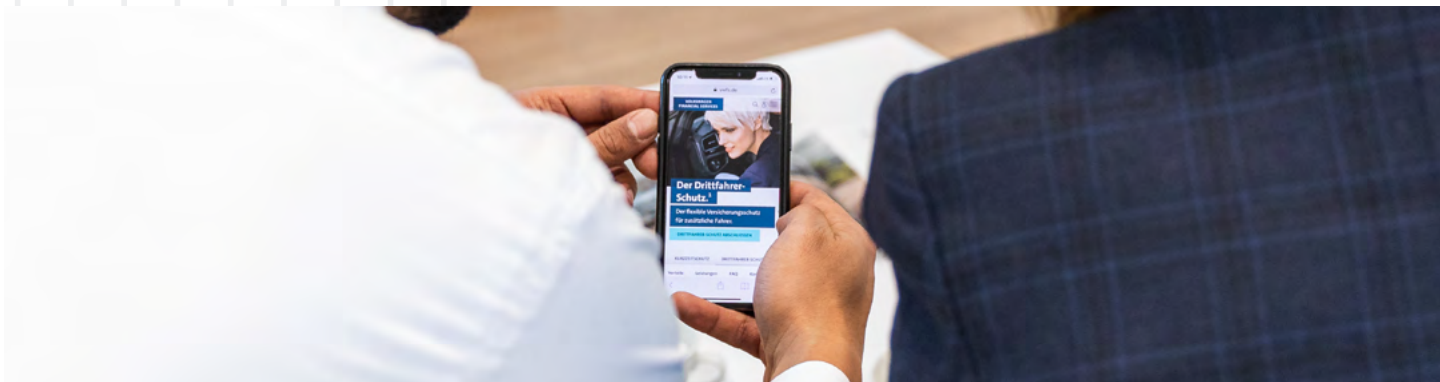
VWFS Brasil is committed to repairing negative impacts it may cause. In 2023, we received 24 complaints; however, we did not observe any significant negative impacts on our image or regulatory risk. Complaints were treated confidentially and resolved with appropriate disciplinary measures, when applicable.

Our stakeholders may make complaints anonymously, via a hotline, via e-mail, through the Volkswagen Group ombudsman and using other means.

Accountability for addressing complaints and requests for redress is ensured through meetings and events involving relevant stakeholders.

We have established the following processes to redress any relevant impacts:

- The results of the compliance activities are reported annually to the Board of Directors and quarterly to the Audit Committee and the Integrity and Compliance Committee, with specific notifications of failures and irregularities.
- Compliance issues relevant to the Volkswagen Group must be reported monthly to the Chief Compliance Officer of VWFS AG.
- Root Cause Analysis (RCA) is conducted in extraordinary events, as defined in the IOHB Policy ICS Steering, a policy of our headquarters in Germany that standardizes the risk identification process; at VWFS Brasil, it involves the Compliance, Operational Risk, Internal Audit and Human Resources areas.
- When the VWFS AG investigation department identifies serious breaches with disciplinary action, local compliance monitors the RCA process following specific procedures.



- The RCA analysis, including the preparation of supplementary documentation, must be completed and submitted for review by the competent area of VWFS AG within 20 days.
- Our Compliance Officer ensures the effective operation of the compliance function by requesting feedback and exchanging information with other compliance agents within the Volkswagen Group.
- Measures to ensure continuous process improvement include sharing experiences with other Volkswagen Group compliance agents, assessing breaches reported and/or investigated through the Reporting Channel and Integrity Committee, and considering conclusions from opinions submitted via e-mail.
- To identify and address complaints, we provide the Reporting Channel, the Ombudsman and other customer service channels.
- Employees, customers, suppliers and business partners can report misconduct by the institution or its representatives. Events are handled through a restricted forum in the Reporting Channel, with reporting to the Legal Affairs & Compliance and Integrity Department.
- Report investigation methods are standard for VWFS subsidiaries worldwide. When applicable, we may adopt disciplinary and legal measures against those responsible.





Improvement of contracts

Improving contracts and processes to reflect new legislation, regulations and best market practices is an ongoing process in the company.

It is clear to us that it does not suffice to be an ethical and responsible company. Our goal is to encourage the same behavior among our customers, suppliers and shareholders.

Promoting the circular economy has been one of the initiatives aimed to improve governance.

In all contracts with partners, we include an attachment outlining best practices that can be implemented by companies in any industry.

There are also clauses on the environment, sustainability and human rights.

Corruption prevention policies

GRI 205-1, 205-2, 205-3

VWFS Brasil has established standards for preventing corruption, including the Integrity Policy and the Code of Conduct, both of which have been updated. In 2023, there were no cases of corruption involving the organization and its employees.

Of the 656 employees, 610 (92.99%), including four members of governance, were informed and trained. Communication and training covered 100 percent of the 72 suppliers considered relevant by compliance: Auctioneers, collection offices and procurement area partners.

The functional categories of trained and qualified people include members of the Executive Committee; executive managers; senior managers; professionals; apprentices and interns.

All 159 business partners (dealerships, authorized stores, suppliers, etc.) were informed about the company's procedures. Conducted through announcements, manuals and teaching materials, they are trained annually, as is the rest of the company.

Relevant topics

Managed by the Compliance Department, the following topics are considered relevant for monitoring the risk of corruption:

- **Giveaways and gifts:** Undue influence, passive or active corruption;
- **Donations and sponsorships:** Undue influence, passive or active corruption;
- **Supplier evaluation:** Undue influence, passive or active corruption;
- **Integrity Committee:** Decision-making process and definition of next steps in case of complaints involving suspicion of corruption.

Continuous updates

The Compliance team promotes annual training on compliance, prevention of money laundering, corruption and trust, reporting channels, integrity and Internal Controls.

Team professionals keep abreast of the topic by studying regulatory requirements and national and international developments in legislation relevant to the ESG sector.

To prevent money laundering and terrorist financing (ML-TF), we regularly update national and international blacklists, with continuous monitoring in the identification and qualification of information.

In compliance with Volkswagen Group's Know Your Customer, Know Your Partner and Know Your Employee principles, we consult negative media and blacklists. This information is made available to the HR, credit, sales and procurement areas.



100%

of the members of the highest governance body, employees and outsourced workers were trained in anti-corruption procedures

In addition to measures to support the identification, qualification and classification processes, VWFS Brasil also has other digital tools for recurring monitoring of the portfolio of customers and business partners.

The company also has specific policies for employees, business partners and relevant suppliers.

Internal audit **FS9**

VWFS Brasil has its own internal audit structure. Its role is to support the senior management, the Banco Volkswagen Audit Committee (Coaud) and VWFS Germany's corporate internal audit in identifying auditable topics and defining the frequency of the work.

Annually, senior management and Coaud ask the area to evaluate topics related to granting credit and risk management. These assessments may include social, environmental, and climate risks, as well as aspects related governance and customer satisfaction.

The internal audit area received a mandate from VWFS corporate internal audit in Germany to evaluate all lines of business, processes and operations conducted in Brazil. A minimum evaluation frequency is defined for each auditable topic, together with senior management and the Audit Committee.

We act in accordance with the standards and procedures established by the National Monetary Council, the Central Bank of Brazil, the Corporate Internal Audit of VWFS in Germany, and the Federal Accounting Council.

We also seek to comply with the International Framework of Professional Practices issued by the Institute of Internal Auditors, an organization dedicated to promoting standards of excellence and ethics in activity.

We formalized adherence assessments through the Quality Assurance and Improvement Program. Every month, the area informs managers and Senior Management about action plans that are in progress.

Our business lines are periodically audited to ensure compliance with international norms and standards



Data privacy and security

GRI 3-3

In 2023, VWFS Brasil had a positive impact from initiatives aimed at ensuring data security and privacy, demonstrating its commitment to constant monitoring and improvement of its governance structure.

To this end, we hired a specialized consultancy to impartially assess the level of maturity of our Personal Data Protection and Privacy Program. The analysis involved aspects related to:

- Training and communications;
- Handling of personal data;
- Response to incidents;
- Monitoring;
- Risk assessment;
- Security;
- Exercise of the holder's rights;
- Transparency;
- Governance;
- Sharing and
- Consent.



Each item was examined according to mandatory (legal) criteria, recommended criteria and the best practices.

The final diagnosis is that the company has a highly mature Privacy Program: 100 percent of mandatory items and 86 percent of recommended items have been implemented. According to the consultants these results are among the best they have ever seen.

All VWFS areas underwent a reassessment of personal data processing processes with the aim of identifying possible changes or new personal data processing flows that had not been mapped.

Periodic reassessment is crucial for ensuring the governance of personal data processing, enabling the identification of potential vulnerabilities and the need for any necessary corrections. This proactive approach not only ensures compliance with regulations, but also drives user trust.

During the year, there was no leak, theft and/or loss of personal data for which VWFS believed there was a relevant risk or damage to data holders that could motivate the duty of communication, in accordance with article 48 of the LGPD.

Our Privacy Ambassadors project will provide training on the key regulatory aspects of the LGPD, clarify any doubts, and promote a culture of data protection.

In December, VWFS Brasil initiated a new project called Privacy Ambassadors. This project involves 21 employees promoting the Privacy Program within their teams to help foster a culture related to the topic within the company.

In 2024, bimonthly meetings will be conducted with the group to provide training and exchange ideas on the key regulatory aspects of the General Personal Data Protection Law (LGPD). These meetings will also include discussions to address everyday issues.

There is room to evolve, but we are confident that we are adequately protecting the holders who entrust their personal data to VWFS Brasil, as well as the company, its employees and shareholders.



100%

of the mandatory items recommended by the consultants for our Privacy Program have already been implemented



People

- Our employees
- Management and development
- Health, safety and well-being





People represent the most valuable asset for Volkswagen Financial Services. All of our operations consider the principles of social inclusion, promotion of diversity and respect for human rights.

Personal growth, collective success

In 2023, the Volkswagen Group took important steps towards realizing these principles. We revamped the people management area and took initiatives to increase equity through affirmative actions, training and seminars.

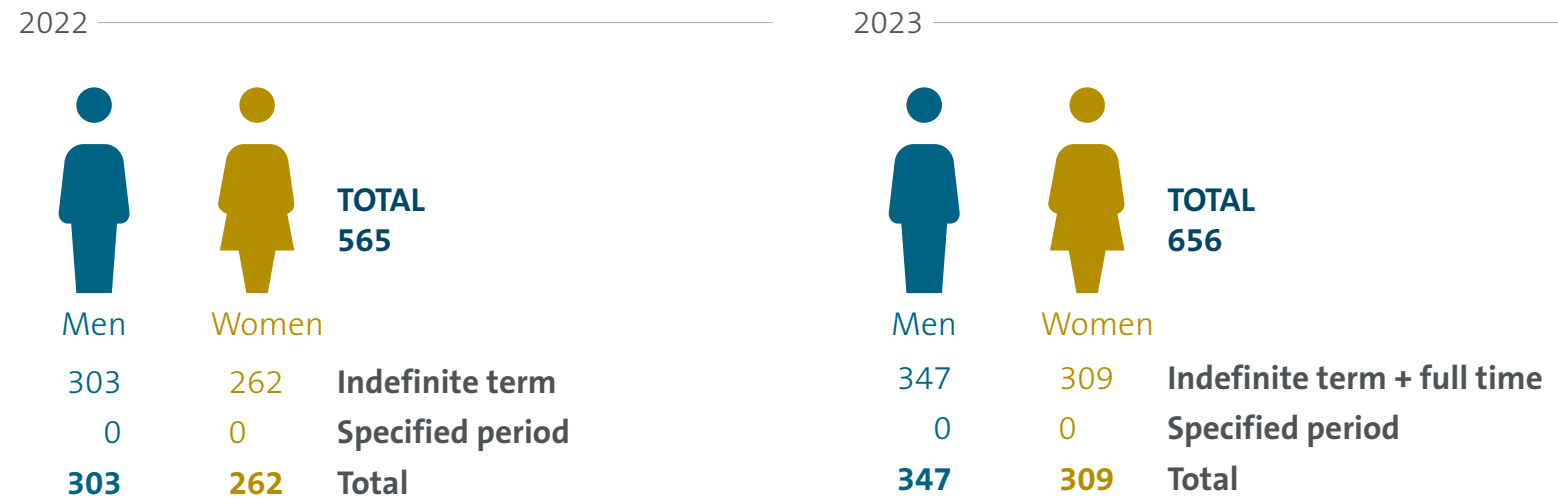
The company is committed to treating all stakeholders in a respectful and transparent manner. We maintain a variety of communication channels to strengthen this relationship.

Our employees

GRI 2-7, 2-8

VWFS Brasil has 656 employees with contracts for indefinite terms in various locations in Brazil, of which 347 are men and 309 are women. All of them work full-time. Of the total, 559 are in the Southeast region, 50 in the South, 30 in the Midwest, and 17 in the Northeast. We also have 13 apprentices and 16 interns.

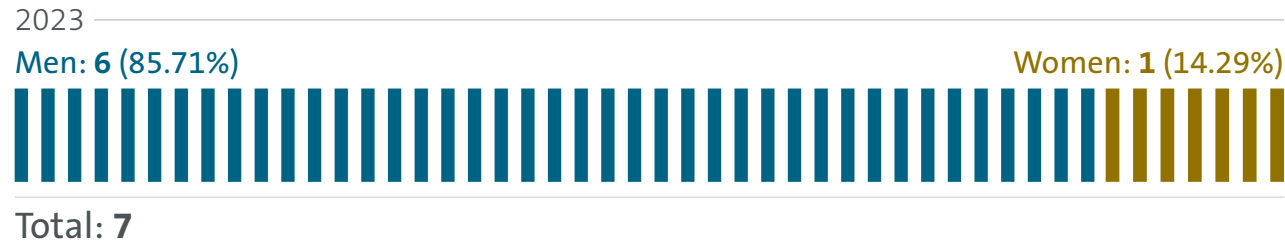
Employees by type of contract and gender – 2022 and 2023*



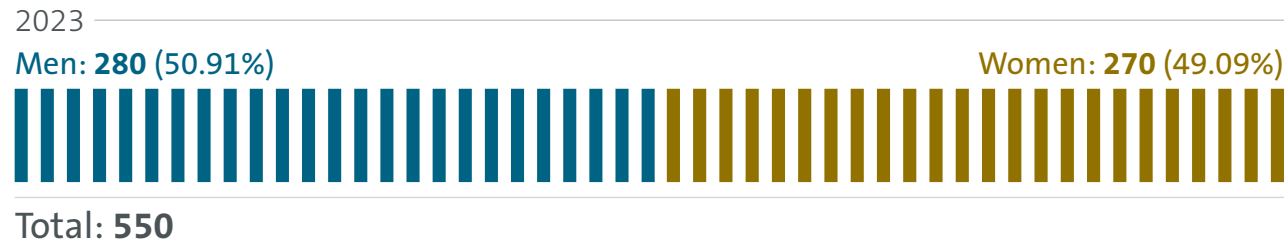
* Records of active employees until December 31, 2023, excluding expatriates, interns and apprentices, based on a direct head count. During the reporting period there were no significant fluctuations in the number of employees.

Employees by employee category and gender – 2023* GRI 405-1

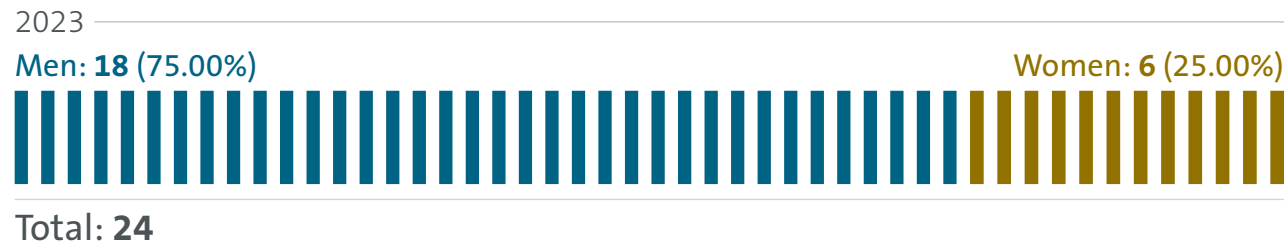
Executives



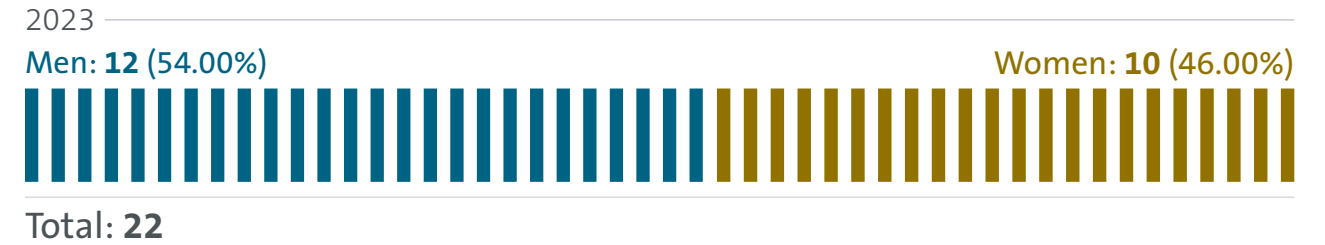
Professionals



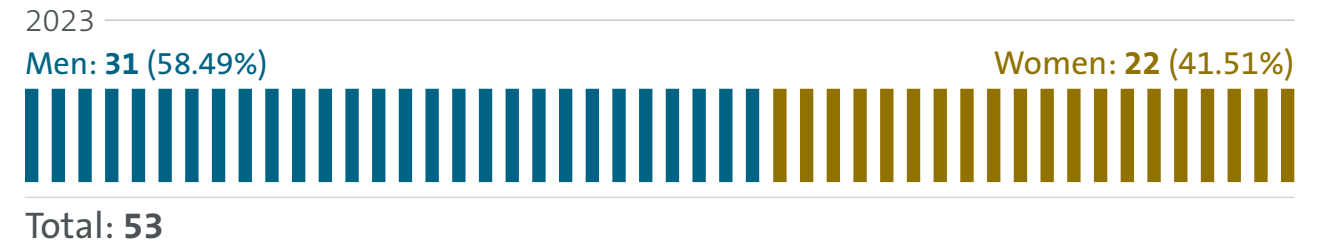
Consultants



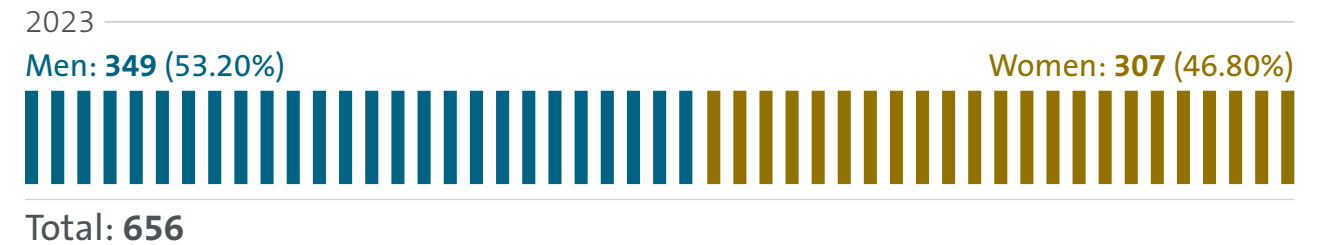
Executive Managers and Senior Managers



Coordinators/Managers



Total



* Employee categories were adjusted to better represent employees. After reviewing the GRI methodology, we have decided to adopt 2023 as the base year, excluding data from 2022 for this item.

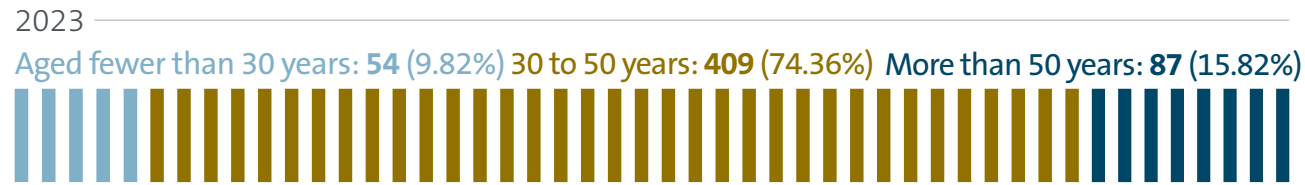
Employees by employee category and age group – 2023* GRI 405-1

Executives



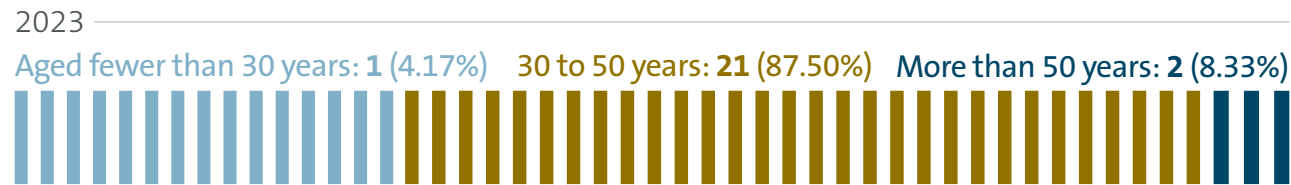
Total: 7

Professionals



Total: 550

Consultants



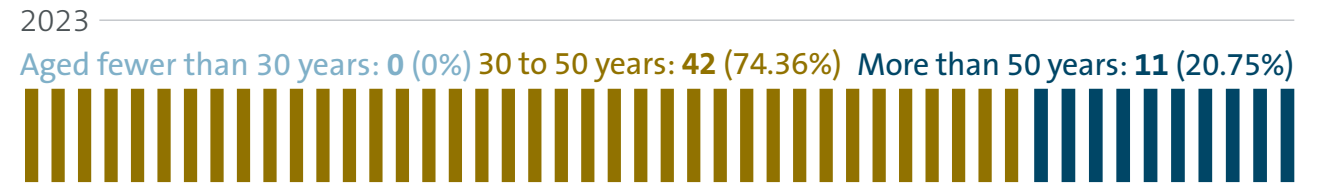
Total: 24

Executive managers and senior managers



Total: 22

Coordinators/managers



Total: 53

Total



Total: 656

* Employee categories were adjusted to better represent employees. After reviewing the GRI methodology, we have decided to adopt 2023 as the base year, excluding data from 2022 for this item.



40%

of the company's
leadership positions
are held by women,
a ratio that exceeds
the global target of
reaching 26% by 2025

Progress in diversity and inclusion

GRI 406-1, 3-3

Valuing diversity is a core objective of our organizational culture. In 2023, we upheld this principle through various initiatives, promoting zero tolerance for all forms of discrimination and intolerance.

Women make up 47 percent of our workforce and hold 40 percent of the leadership positions, a ratio that exceeds the group's global goal of reaching 26 percent by 2025. Women hold a third of the executive positions.

In the cycle of this report, gender equality began to be included in the succession plan for VWFS Brazil's top leadership, reinforcing our leading position among VW companies.

In the internship program, which got underway in 2022, we surpassed the goal of filling 50 percent of vacancies with women, reaching 58 percent of interns in 2023. Half of the interns were hired.



On May 17, the International Day Against Homophobia, Transphobia, and Biphobia, the organization used its social networks to encourage stakeholders to pause and reflect on the importance of addressing all forms of discrimination.

In terms of including people with disabilities (PwD), we have embraced the biopsychosocial model, which takes a multidisciplinary approach to understanding functional diversity, promoting a person-centered perspective.

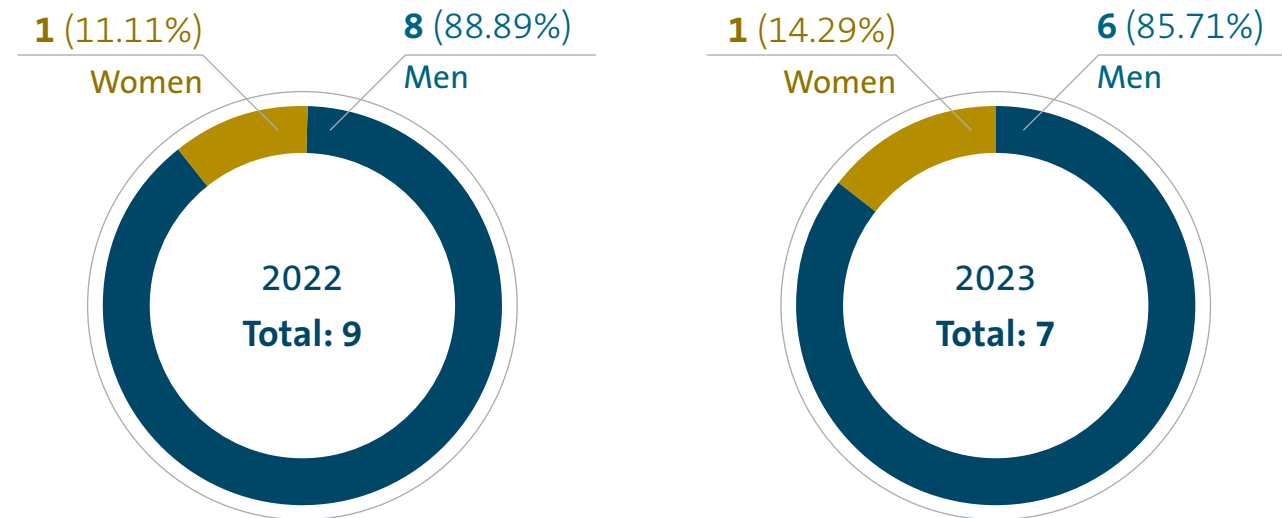
Whenever necessary, the organization uses the functional assessment resource. Therefore, we can offer accessibility resources that consider the needs of people with disabilities and their activities.

We map the potential negative impacts of a lack of diversity and inclusion on the company's reputation and finances. This risk, which could affect shareholders, investors and employees, is mitigated by several initiatives to promote an inclusive culture, coordinated by the Executive Management and the Culture, Development and Diversity Department.

We plan to establish a dedicated policy for diversity and inclusion. To this end, we have already implemented significant changes in the areas of remuneration and benefits, as well as occupational health. No incidents related to discrimination were recorded during the reporting period.

Diversity in governance bodies and employees – 2022 and 2023* GRI 405-1

Members of the Executive Committee



* Calculation based on employees active on 12/31/2023, excluding expatriates, interns and administrative apprentices. No members of the organization's governance bodies are individuals from minority and/or vulnerable groups.



Ratio between base salary and remuneration received by women and men – 2023* GRI 405-2

Women x men ratio	Base wage (BRL)	Remuneration (BRL)
Executive Committee	0.81	0.87
Executive managers	1.09	1.04
Senior managers	N/A**	N/A**
Managers	0.97	1.05
Coordinators	1.28	1.23
Professionals	0.89	0.88
Consultants	0.84	0.80
Apprentices	0.84	1.03
Interns	1	1.02

* VWFS Brasil calculates the indicator considering all operational units. To do this, it uses the average remuneration per classification. Functional categories were adjusted to better represent employees. After reviewing the GRI methodology, we have decided to adopt 2023 as the base year, excluding data from 2022 for this item.

** The calculation of the ratio of the senior managers functional category is not applicable, as there are no women in this category.



Individuals who are part of the governance bodies by age group – 2023* GRI 405-1

Executive Committee

Aged fewer than 30 years: 0 (0%) 30 to 50 years: 5 (71.43%) More than 50 years: 2 (28.57%)



Total: 7

* 2022 data not reported.

Percentage of employees from minority and/or vulnerable groups by employee category – 2023* GRI 405-1

	No. of employees from minority groups	Percentage
Black		
Executives	0	0
Professionals	72	13.09
Consultants	0	0
Coordinators/Managers	2	3.77
Executive managers and senior managers	0	0
Total	74	11.28

	No. of employees from minority groups	Percentage
PwD		
Executives	0	0
Professionals	27	4.91
Consultants	0	0
Coordinators/Managers	0	0
Executive managers and senior managers	0	0
	27	4.12
Total	101	15.40

* There is no record and, therefore, availability of data for the LGBTQIA+ group for both 2022 and 2023.

* Employee categories were adjusted to better represent employees. After reviewing the GRI methodology, we have decided to adopt 2023 as the base year, excluding data from 2022 for this item.

Management and development

GRI 401-2, 401-3

In 2023, VWFS Brasil concentrated on strengthening its organizational culture and fostering closer relationships between teams and their managers. We invested BRL 1.05 million in training, with 11,820 hours of activities, covering interns to C-Level employees.

We assessed the talent pool and succession planning for the upcoming years, aligning with the sustainability vision. Through the Hello Success project, we have prepared the workforce to use a new human resources management system in 2024.

The Volkswagen Group globally adopted SAP SuccessFactors, a cloud-based digital human resources management platform. This system provides the best insight into the impact that human capital has on the business.

The platform offers a broad array of modules for managing various aspects, including recruitment and selection, performance

management, learning and development, talent management, and payroll management.

It is also possible to interrelate data for predictive analyses, with the appropriate access authorizations. Thus, it will be possible to enable more assertive actions that expand the foundations of transparent dialogue and increase employee satisfaction.

The change required a significant effort to standardize the company's units in different countries, as well as to adapt the headquarters to regional characteristics.

An example was the inclusion of the field for filling in the social name - the name by which transgender and transvestite individuals request to be called by to reflect their gender identity. The platform started to implement this practice globally, inspired by the insights provided by the VWFS Brasil team on the subject.



BRL 1.05
million

invested in training, with
11,820 hours of activities



A few of practices that we have already adopted, such as transparently disclosing to the organization all open job positions – except confidential ones – will be enhanced with the use of technology. For instance, the opening of international positions within the group will get more visibility internally.

Transgender and transvestite people can enter their social name on Volkswagen Group’s employee management platform. The practice was adopted globally at the suggestion of the VWFS Brasil team.

Skill improvement

GRI 404-2

VWFS provides numerous skill enhancement programs to its employees. Our internal courses and training cover scopes such as:

- Techniques for own operations;
- Compliance and ethics;
- Diversity and inclusion;
- Safety at work;
- Project management;
- Internal technology and tools;
- Leadership skills;
- Data security;
- Communication skills, and
- Human rights.



Additionally, we offer financial aid for language courses and other external courses, in collaboration with educational institutions and digital training platforms.

For retiring employees, we offer support by providing a bonus equivalent to 150 percent of their salary, applicable to those with more than eight years of tenure at the company, provided they notify the company within 90 days of approval.

Protagonism and dialogue

GRI 404-2

VWFS Brasil values its employees' initiatives in self-development. Thus, we encourage leaders and employees to create individual development plans that can evolve throughout the year.

Every year, employee representatives from all offices around the world gather in Germany for a meeting. Two VWFS Brasil representatives attend this meeting.

At a local level, the company also has internal employee representation, which exists in addition to the employee union. It is based on a matrix model, aiming for participative and contemporary management.

A new feature in the updated employee integration program was the establishment of Breakfast with

the CEO, a monthly meeting where the CEO meets with the Human Resources team and new hires from that period.

We experienced a slight improvement in the internal employee satisfaction survey (ENPS) compared to 2022, a positive development in a year marked by cost containment efforts.

In response to a demand from ENPS, in July we created the *CEO na escuta* (The CEO is listening), a forum in which the CEO meets individually with each officer to gain an understanding of issues requiring improvement.

Another initiative to promote dialogue is *Oi RH* (Hello HR), a monthly forum that shares the area's main projects with leaders via videoconference.

In the upcoming years, a challenge for the department is the specialized training of leaders to manage expectations and demands in an ever-evolving business environment. Another important

front is preparing the workforce to deal with new knowledge and technologies, such as artificial intelligence.

Increasing investment in health programs focused on both prevention for people's well-being and reducing costs for the organization is also a priority for the future.

OUR DEVELOPMENT, QUALIFICATION, AND TRAINING STRUCTURE IS BUILT THROUGH SEVERAL SIMULTANEOUS ACTIONS, SUCH AS:

- Leadership training programs
- Essential training track
- *Café com o CEO* (Breakfast with the CEO) and leadership
- On-demand training related to the individual plan
- Training on diversity and inclusion





Average hours of training per year by gender - 2023* GRI 404-1



Men

347

25,288

72.87



Women

309

16,431

53.17

TOTAL

656

41,719

63.59

Number of employees

Hours of training

Average hours of training

* In 2022, the 404-1 indicator was not analyzed. As described in indicator 405-1, the institution does not address gender self-declarations.

Average hours of training per year by employee category – 2023*

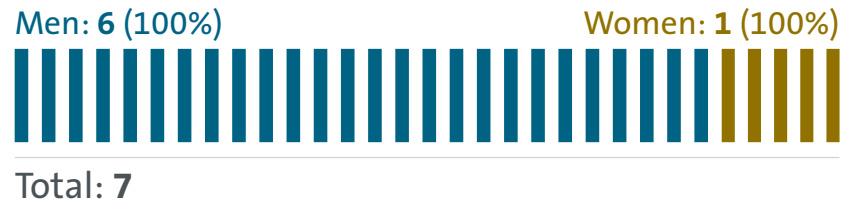
GRI 404-1

Category	Average hours
Executive Committee	81
Executive Managers	39
Senior Managers	21
Managers	68
Coordinators	101
Professionals	60
Consultants	51
Apprentices	471
Interns	94
Principal	6

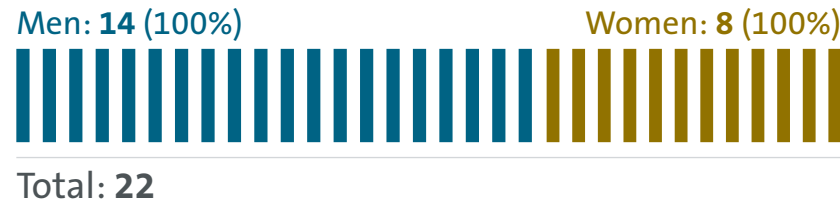
* Employees who previously served as administrative apprentices and were subsequently hired under the CLT regime had their hours counted alongside those of other professionals. The “apprentice” category refers specifically to the Young Apprentice program.

Percentage of employees receiving regular performance and career development reviews by employee category— 2023* GRI 404-3

Executive Committee



Managers



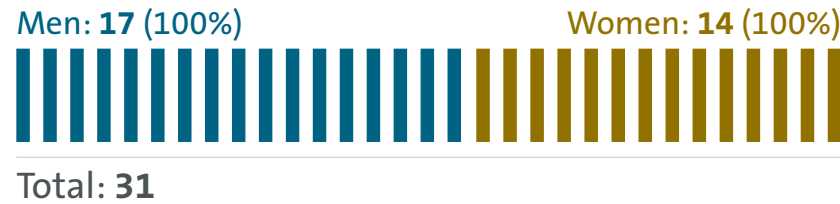
Consultants



Executive Management



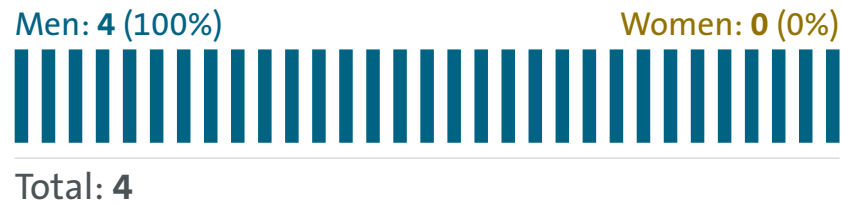
Coordinators



Total



Senior Managers



Professionals



* The indicator was improved and 2023 became the base year, with historical comparisons not applicable.

Organizational climate survey

In 2023, we conducted the Great Place to Work climate survey, and of the 472 employees who responded to the questionnaire, 86 percent stated that VWFS Brasil is a great place to work.

Positive points mentioned include:

- Compensation and benefits;
- Welcoming and respectful environment;
- Strength and good reputation of the company;
- Learning and development opportunities;
- Culture of respect for diversity and inclusion.

A few areas for improvement:

- More flexibility in the hybrid work model;
- Clearer and more structured career plan;
- Hiring of more black and brown people;
- Improvement in benefits;
- More training for personal development.

Great
Place
To
Work®

Certificada
2023
Brasil™

Every criticism and suggestion is being carefully considered within an environment of trust, collaboration, and the pursuit of collective improvement.



Benefits

GRI 401-2

All employees and their dependents are entitled to the medical insurance offered by the organization. Dental plans are also offered to employees and dependents, but do not yet include executives.

The company promotes activities that enhance physical and mental well-being, providing benefits such as the Gympass corporate well-being program (renamed Wellhub in May 2024).

Our outpatient assistance service is also available to employees and third parties. The medical department provides on-site urgent and emergency care, with monitoring and support from social services.

The standard benefits and facilities for full-time employees are as follows:

- Pension supplement in leaves;
- Extended maternity/paternity leave;
- Health insurance;
- Life insurance (optional);
- Private pension plan;
- Savings fund plan;
- Meal allowance;
- Food assistance;
- Personal accident insurance;
- Dental insurance;
- Mobility/living allowance card;
- Restaurant and outpatient clinic at the work-place;
- Gympass app, which offers access to gyms;
- Day off (day off on the employee's birthday, along with an additional BRL 100 credit on the meal voucher to buy a cake).



Day-care assistance also for men

In 2023, the company started providing daycare benefits to men as well. The purpose of this was to support various family structures and gender identity groups.

Maternity and paternity leave – 2022 and 2023* GRI 401-3

	2022	2023
Total employees		
Men	262	347
Women	303	309
Employees who took maternity/paternity leaves starting in the current year and ending in the current year		
Men (start in current year, end in current year: A)	2	0
Women (start in current year, end in current year: B)	5	6
Men (start in previous year, end in current year: C)	0	0
Women (start in previous year, end in current year: D)	9	7
Employees who took maternity/paternity leaves starting in the current year, and whose leave ends in the following year		
Men (start in current year, end in following year: E)	0	0
Women (start in current year, end in following year: F)	7	2

* The data reported for the year and/or those whose leave ends in the following year do not include men on paternity leave, resulting in a retention rate and return rate of zero for men.

	2022	2023
Employees who took maternity/paternity leave in the current year		
Men (A + E)	2	0
Women (B + F)	12	8
Employees expected to return in the current year		
Men (A + C)	2	0
Women (B + D)	14	13
Employees who returned to work, in the reporting period, after the end of the maternity/paternity leave		
Men (current year: G) (maximum value = A + C)	2	0
Women (current year: H) (maximum value = B + D)	5	13
Employees who DID NOT return to work, in the reporting period, after the end of the maternity/paternity leave		
Men (A + C) - G)	0	0
Women ((B + D) - H)	9	0

	2022	2023
Employees who returned to work after the end of the maternity/paternity leave in the previous year		
Men (previous year: I)	Item not available	11
Women (previous year: J)	Item not available	4
Employees who who returned to work after the maternity/paternity leave and continued to be employed 12 months after returning to work		
Men (L) (maximum value = I)	9	11
Women (M) (maximum value = J)	9	14
Rate of return		
Men (G / (A + C))	100%	Not applicable*
Women (H/(B+D))	36%	100%
Rate of retention		
Men (L/I)	100%	100%
Women (M/J)	100%	100%

* The total of men who did not return to work, in the reporting period, after the end of the paternity leave, was zero.

Collective bargaining agreements

GRI 2-30

In 2023, 86.74% of the total workforce were covered by collective bargaining agreements, encompassing 569 out of 656 employees. The calculation does not include administrative apprentices.

For positions of trust, including employees in roles such as Consultant, Coordinator, Manager, Executive Manager, Senior Manager, and Member of the Executive Committee, the salary adjustment based on the base date is non-linear, with a percentage approved by the headquarters in Germany.



86.74%

of the workforce is covered by collective bargaining agreements



Health, safety, and well-being

Creating conditions for our employees to live in a healthy, safe, and pleasant environment is a priority for VWFS Brasil.

We pay special attention to this topic and implement corporate policies that enable us to go beyond the obligations stipulated by legislation and regulatory standards.

They range from campaigns to prevent illnesses and accidents to agreements to promote physical activities.

This also includes assessing the ergonomic conditions of workstations and monitoring indicators that facilitate continuous process improvement.

Our occupational health and safety management system covers all workers, including third parties



Health and safety management

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6,
403-7, 403-8, 403-9, 403-10, 416-1, 416-2

VWFS Brasil takes a proactive approach to employee health and safety, prioritizing policies and practices that exceed legal obligations. All processes involve the participation of workers through groups of internal employee representatives (IER) and health and safety management committees (Cipa).

Our occupational health and safety management system covers all workers, including third parties. We focus on the negative and positive impacts on people and their rights, implementing measures to ergonomically evaluate employees in a timely manner and promote a healthy work environment.

The effectiveness of these actions is validated through internal audits, impact assessments, and stakeholder feedback. These efforts lead to the creation of internal programs and preventive health campaigns with full employee involvement ([refer to the table on page 79](#)).

The medical assistance service is responsible for reception, diagnosis, initial treatment, referral to the specialist and/or necessary social services.

The occupational health service tracks and detects work-related health issues early on, protecting and preserving the employees' health.

Social service conducts psychosocial screening of employees, mapping visible and hidden demand. It also provides social support to those admitted and provides guidance to employees and their families about agreements and benefits.

We periodically assess work environments. We also offer training in health and safety for employees, which includes new employee onboarding, fall prevention, firefighting, ergonomics, first aid, communication of risks, prevention of occupational diseases, safety of machines and equipment and other topics.

Workers covered by an occupational health and safety management system – 2023 GRI 403-8

	Employees	Workers who are not employees (third parties)
Total number of individuals	656	173
Number of individuals who are covered by the system	656	173
Percentage of individuals who are covered by the system	100	100
Number of individuals covered by a system that has been internally audited	656	173
Percentage of individuals covered by a system that were internally audited	100	100
Number of individuals covered by a system that has been certified by an independent third party	656	173
Percentage of individuals who are covered by a system that has been internally audited or certified by an external party	100	100

Accidents and days lost – 2023 GRI 403-9

Class	Employees	Workers who are not employees (third parties)
Number of hours worked	23,520,000	10,380,000
Base of the number of hours worked	200,000	200,000
Number of fatalities resulting from work-related injuries	0	0
Index of fatalities resulting from work-related injuries	0	0
Number of work-related injuries with serious consequences (except for fatalities)	0	0
Index of work-related injuries with serious consequences (except for fatalities)	0	0
Number of work-related injuries of mandatory reporting	1	0
Index of work-related injuries of mandatory reporting	0.01	0

Our system complies with the Regulatory Standards of the Ministry of Labor and Employment and includes all employees and workers. Its attributions are:

- Development of prevention and health promotion programs;
- Health campaigns;
- Conducting occupational exams, and
- Application of an epidemiological questionnaire.

Throughout the year, we did not record any deaths or cases of occupational illnesses among employees and third parties that were mandatory to report.

The main occupational diseases identified were Repetitive Strain Injuries and Work-Related Musculoskeletal Disorders (RSI/WMSD), occupational stress, and mental health issues.

Promotion of health

VWFS upholds confidentiality regarding the personal health information of male and female workers, in accordance with legislation and the privacy policy.

We have several initiatives to facilitate access to non-work-related medical and health services, such as complementary health insurance, clinics or health centers, wellness programs, flexible schedules, reimbursement of medical expenses and health education.

Programs and initiatives to promote health and prevent illnesses not related to work are also offered, such as vaccination campaigns, health education, home safety education and cancer prevention campaigns. These services and programs are available during work hours and are extended to the employees' families.

Internal preventive health actions – 2023

Month	Action
February	Carnival action: Conscientious revelry
April	Flu vaccination campaign Covid 19, new variant
June	Brazilian spotted fever
July	End of the Warm Clothing campaign
September	Attention to complications from flu, heat and coronavirus
October	Pink October Campaign (prevention and early diagnosis of breast and cervical cancer) Brigade training participation
November	Blue November Campaign (prevention and early diagnosis of prostate cancer and other male diseases)
December	Orange December Campaign (skin cancer prevention)



Risk assessment

As the organization's activities are administrative, there are no imminent hazard risks. In 2023, we had a single incident of a mandatory reporting workplace accident: A fall. We adopt administrative controls, training and awareness actions for the use of PPE.

Routine processes used to identify and assess hazards and risks in workplaces include safety inspections, ergonomic risk assessments, accident and incident analyses, physical risk assessments and emergency drills.

Non-routine processes involve risk assessments related to:

- exposure to chemicals
- specific tasks
- construction projects
- cases of noncompliance
- impacts of organizational changes, and
- special projects.

VWFS Brasil provides structures such as specific addresses for the occupational health and safety team, committees dedicated to health and safety, communication through direct leadership and guarantees expressed in the code of ethics so that workers report hazards without punishment.

In addition, the company has policies that guarantee the workers' right to remove themselves from hazardous situations at work, through site inspection, checklists and records.

In the event of incidents, measures are taken such as registering the incident, investigating the hazard involved in the incident and improving the system to prevent future accidents.

The company requires outsourced workers to provide documents proving their dangerousness, such as a Technical Report on Environmental Working Conditions (LTCAT) and training certificates, in accordance with regulatory standards.

At the headquarters, in São Paulo, the organization has two firefighters present during business hours and one during night hours, holidays and weekends. Their duties include making inspections, tests and providing training to the building's staff. Every year, we conduct building evacuation and accident drills.



Customer satisfaction

FS14

We have several initiatives aimed at improving the experience of our customers and partners (see page 86). In 2023, we highlighted the technological innovations that improved the journey of purchasing our products and services and the relationship with customers.

Satisfaction surveys are conducted on a recurring basis to evaluate the customer's experience with us. We also pay full attention to the Reclame Aqui channel, and have a good reputation there.

During the year, the end consumer satisfaction index was 86.2%, a high level and close to what we had in 2022, when there was considerable growth. Regarding dealerships, the level of satisfaction is even higher: 92.5% in 2023.

The Customer Committee monitors key performance indicators (KPIs) and the progress of actions.

We have initiatives to remove barriers for people with disabilities, including telephone assistance for individuals with hearing impairments and support through Torq, our virtual assistant on WhatsApp, where

the user can write and use the browsing menu.

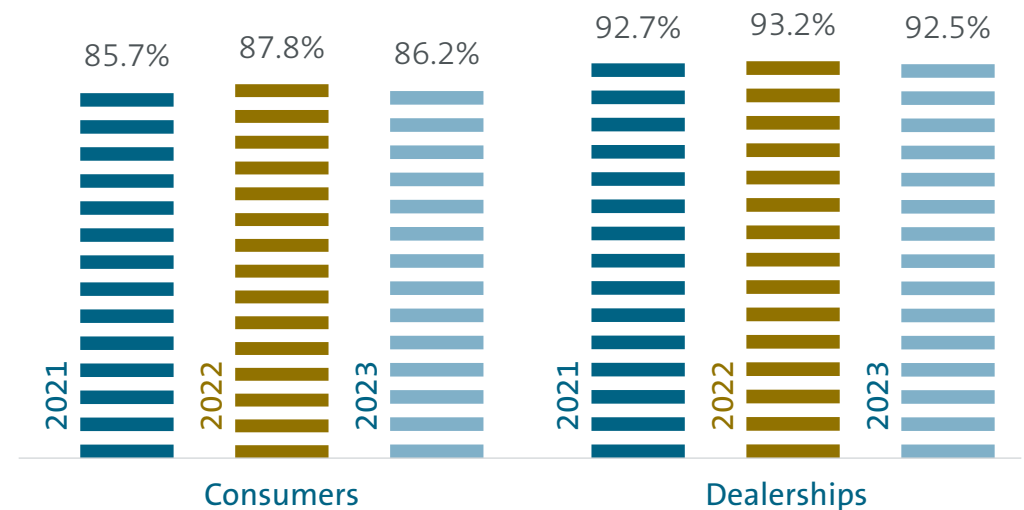
Additionally, this annual report was designed with universal accessibility in mind.



86.2%

was the customer satisfaction index in 2023, and the dealerships' was 92.5%

Satisfaction Index



Training

GRI 408-1, 409-1, 410-1

The company provides human rights training to its employees and to the employees of contracted companies that provide security personnel. In 2023, 100 percent of the security personnel were trained in human rights policies or procedures.

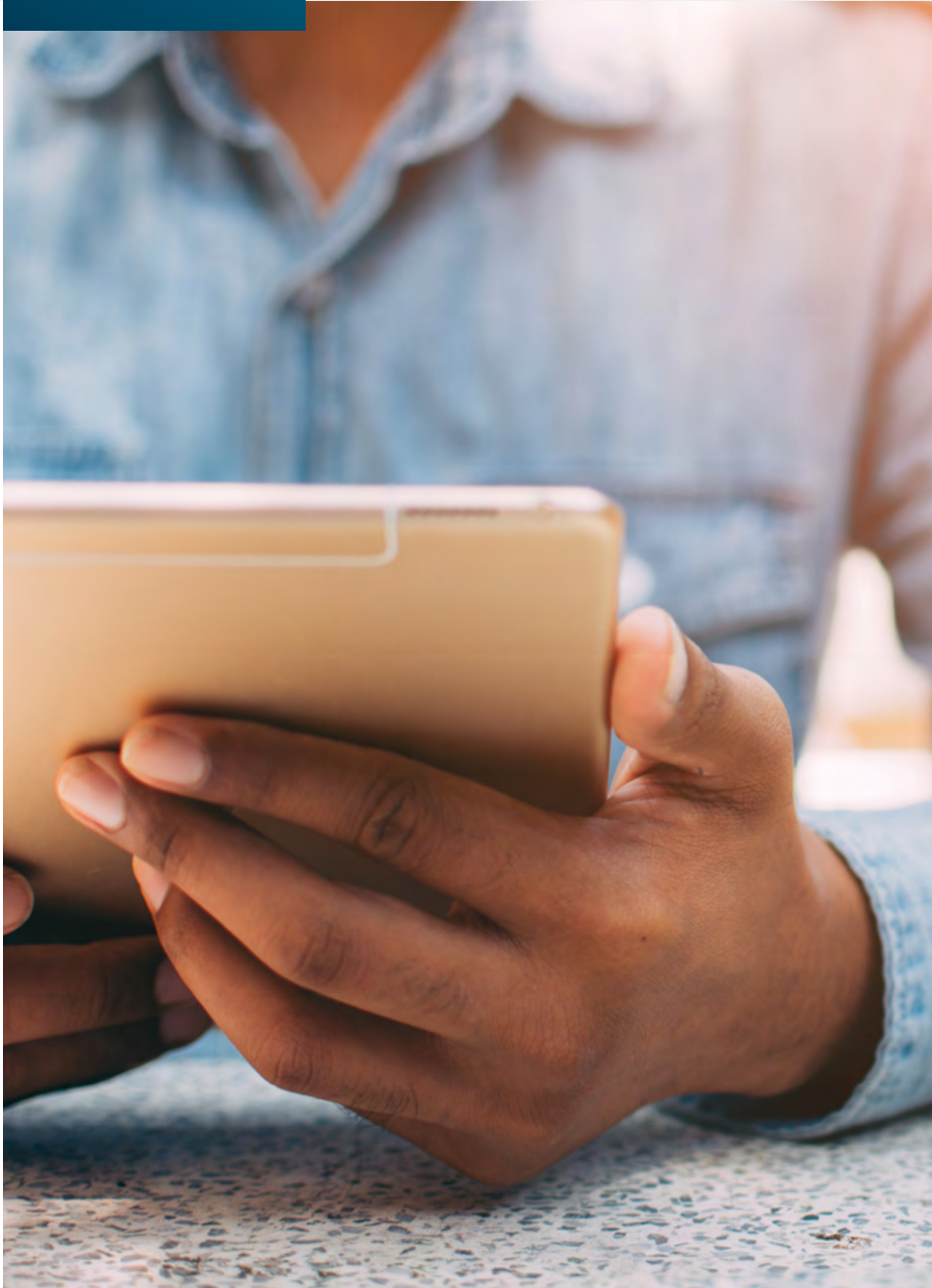
VWFS does not engage in operations that pose risks of child labor or expose young workers to hazardous activities.

We adopt measures to ensure compliance with the socio-environmental responsibility and risk policy. Although a few contracted services may be related to areas of high social risk, the company did not identify significant risks in its operations.

We also have no operations or suppliers for at risk of forced or slave-like labor. While some contracted services, especially in communication and marketing, are classified under the National Classification of Economic Activities (CNAE) as high social risk, no significant risks have been identified.



We adopt several procedures to ensure the company and our suppliers comply with the socio-environmental responsibility policy



External communications

VWFS Brasil's external communication strategy, managed by a specialized consulting firm, aimed to highlight the organization through story suggestions for journalists, interviews, articles, relationship meetings, and participation in events within the automotive sector.

With 170 press mentions throughout the year, the company was featured in major finance-focused media outlets in the country, including Valor Econômico, Exame, Época Negócios, Agência Estado, Forbes, CNN, IstoÉ Dinheiro, and IG Economia.

Our initiatives were also publicized in automotive industry publications such as Autodata, Automotive Business, and Auto Indústria;

technology publications such as Mobile Time, TI Inside, and InfoChannel; and communication and advertising outlets such as Clube da Criação, Grandes Nomes da Propaganda, and the Brazilian Association of Business Communication (Aberje).

We also operate through the Volkswagen Group Foundation (FGVW), which invests in education and community development actions with resources from a fund set up by Volkswagen.



Read more under
Social performance



Stakeholder engagement

GRI 2-29, 207-3

We maintain ongoing dialogue with our stakeholders regarding fiscal and tax liabilities. Concerns on the topic are assessed through surveys, meetings and consultations, which contribute to improving our practices and policies.

Our relationship with tax authorities is one of proactive cooperation. We take several actions to ensure compliance with laws and regulations, including internal auditing, monitoring changes in legislation and specialized consultancy.

We have a transparent approach to our Financial Statements. When relevant tax questions are identified in the media or court websites, we undertake active validations with clients.

The company undertakes advocacy in public policies relating to taxes, such as defending

changes in tax legislation, promoting fiscal transparency and participating in interest groups and sectoral associations.

The ethical principles of our relationships with service providers are summarized in the Supplier Code of Conduct and in the Prevention and combat of money laundering, corruption, and terrorism financing handbook.

One of the key requirements for hiring partners and suppliers is the submission of clearance certificates.

Our objectives are to guarantee the total tax regularity of the group's companies and avoid abusive tax planning. Our goal is to maintain fiscal regularity through clearance certificates issued regularly.

Our main stakeholders



Employees



Authorized representatives



Consumers



Multi-brand stores



Investors



Business partners



Brands



Suppliers



Dealerships



Creditors

Engagement objectives for each audience

GRI 2-29



Employees

To strengthen the culture and sentiment of belonging.



Trademarks

To strengthen relationships and contribute to the development of new projects.



Dealers, authorized representatives, multi-brand stores and business partners

To build and maintain relationships to generate more business and profitability.



Customers and investors

To increase satisfaction, loyalty and institutional reputation.



Suppliers

To ensure best market practices to meet customer needs.



Initiatives for customers and business partners

GRI 2-29

- Consumer satisfaction survey
- Close the Loop, a system that helps respond to customer feedback and meet their expectations
- Customer Club
- User-centric technologies to improve services
- Support for cultural and social initiatives
- Special campaigns for customers
- Launch of products and services involving electric vehicles
- Launch of the Customer Portal version for mobile devices
- Consolidation of the Sales Force project for omnichannel service
- Launch of an application for dealership performance self-assessment
- Improvements to vehicle subscription programs
- Launch of the Fleet Owner function on the Digital Platform
- Adoption of simple and visual language in contracts
- Customer service via WhatsApp

Strategy and future vision

- Moving toward decarbonization
- Investments and capital allocation
- Risks and opportunities
- Sustainability vision





Moving toward decarbonization

The transition to a low-carbon economy is being shaped by four major trends in the automotive industry: The electrification of transport, the development and use of biofuels, connected vehicles, and mobility as a service.

These changes are already here, impacting not only the types of vehicles that will be used, but also the automakers' business model.

Business revenue is shifting from combustion-powered vehicles to zero-emission electric models and mobility services.

A new consumer profile is also emerging, one that is more aware of the impacts of their actions on the health of the planet.

VWFS Brasil is willing to take on a leading role in this new market, in line with its values and the expectations of its customers.

Investments and capital allocation



30,000

financing contracts
consolidated the
Car Bank in 2023

One of the most significant investments in 2023 was the strengthening of the Car Bank brand, which was created the previous year to position VWFS Brasil in the pre-owned vehicle segment.

We earmarked BRL 100 million to technological innovation, expansion of partnerships with the dealership network and reinforcement of human capital.

Throughout the year, the success of Car Bank consolidated the company's presence in this market, with more than 30,000 financing contracts negotiated, 2,200 stores registered, and upwards of one hundred commercial professionals hired.

In November, the subsidiary LM Soluções de Mobilidade conducted its eighth issue of debentures on the market, worth BRL 800 million. This was the third fundraising the company made within the Volkswagen Group corporate structure. The resources will be used to reinforce its positioning in the Brazilian mobility sector.



Innovation and technology

GRI 418-1, FN-CF-220a.2, FN-CF-230a.3

In 2023, VWFS adopted several impactful technological innovations, resulting in tangible and intangible benefits for the business. We saw gains in scalability and agility, as well as in user experience improvement.

One of the company's priorities was increasing maturity in protecting stakeholder privacy.



All processes relating to personal data security were re-evaluated and reinforced. We also upgraded the company's development and applications in the cloud, which enabled cost reduction and process improvement.

We implement processes designed to meet information confidentiality, integrity, authenticity, and availability requirements. Our key measures include:

- User authentication through logins, passwords and two-factor authentication.
- Data encryption.
- Intrusion prevention and detection, with device protection, scans and access monitoring.
- Prevention of information leaks, with information security awareness.
- Regular system updates and network scanning to identify vulnerabilities.

- Traceability through activity records for investigations.
- Access control, including analysis of systemic transactions and access profiles.
- Network segmentation for internal protection.
- Backup routines and disaster recovery plan to ensure business continuity.
- Secure systems development, with code reviews and evaluations of new technologies.
- Annual self-assessment of the Information Security Management System, aiming to reduce vulnerabilities and early identification of risks.
- Registration and management of security incidents, in accordance with internal policies and regulations.

During the reporting period, there were no substantiated complaints related to breaches of customer privacy. Furthermore, no leakage, theft or loss of personal data that would pose a significant risk or harm to data subjects was identified.

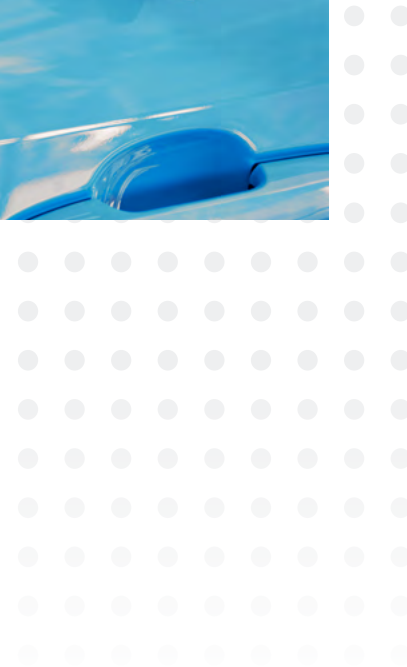
During the period, we invested approximately BRL 20 million in our digital transformation journey, replacing legacy technologies with solutions in line with the state of the art in technological development. This funding made a significant contribution to our good economic-financial result.

Observability is a technological concept that is expected to become increasingly important in the corporate world over the next five years. This is the ability to understand and monitor the performance of complex systems, to identify and resolve failures effectively.

Tools focused on observability will play an increasingly important role in monitoring the users' journeys in real time, in order to offer more accurate decision-making information to managers. We are mindful of this macro trend and ready to embrace it at the right time.



In 2023, we invested
BRL 20 million in digital
transformation





Virtual assistant

Launched in August 2022, the Torq virtual assistant, named after the torque of a car engine, enhanced customer relationships by making them more digitally connected. VWFS Brasil became the first bank in the automotive industry to adopt the service, initially using it to address frequently asked questions from users.

In January 2023, its functionalities were expanded. Among the options offered is the ability to manage the credit facility agreement, including generating documents such as duplicate bills, payment statements, and copies of the contract.

The assistant also makes simulations for advancing or paying off installments and sets up financing offers for the purchase of the next Volkswagen vehicle.

This digitalization reduced call center operations by more than 25 percent, generating a financial return 13 times greater than the value of the investment.

Over the year, the tool averaged 30,000 service sessions per month, for a total of more than 390,000 sessions. The average user rating is 4.6 out of 5.

Currently, Torq automatically responds to over half of the requests from financing customers.



More than **50%**

of contact
requests are
made via Torq



Main initiatives in innovation

- **Reinforcement to Car Bank** – Consolidating our multi-brand used vehicle business posed a significant challenge, requiring the use of digital systems compatible with the segment's rapid expansion.
- **Migration to Embracon** – We migrated the data of more than 1 million consortium customers to the partner company, a strategic change. Embracon took over administration services nationwide.
- **Digital signature via facial biometrics** – With the implementation of the new technology, the number of physical contracts was reduced from 60 percent to 15 percent of the total, and we expect to reduce this even further. To ensure security, we utilize geolocation and *liveness detection*, which verifies whether the image presented is indeed of the client.
- **Quick Approval** – This automatic financing approval system conducts a credit pre-analysis with minimal data, enhancing agility and flexibility across the company's various sales channels.
- **Digital service** – Brazil is the first market to implement Volkswagen brand's digital dealership format. Flexible and lean (starting from 90 m²), the stores feature common spaces and offer totems equipped with tablets, touch screen TVs, and virtual reality glasses. With these tools, customers can virtually explore all vehicles in the portfolio and customize their ideal vehicle configuration.
- **Automated Counteroffer System** – This system facilitates upselling, a sales strategy that encourages customers to purchase a more comprehensive and higher-value version of a vehicle, often with better financing terms.
- **Torq upgrade** – Our virtual assistant started providing after-sales services using artificial intelligence, reinforcing the structure of the Customer Service Center, which was revamped in 2023.
- **Mobile version of the Customer Portal** – The website update offers an app-like experience when accessed via mobile phone, making it easier for customers to access contract information and interact with VWFS Brasil.
- **Credit Assignment** – The implementation of the 100 percent automated receivables anticipation model brought more benefits and agility to the Volkswagen ecosystem.



Risks and opportunities

In 2023, we completed the upgrade of the risk management, credit, and collection areas, as well as the extensive automation of processes that had been ongoing for the past four years.

The changes are result-oriented and place the customer at the center of the process. They involve actions related to digitalization, information security and scalability.

Throughout the year, we incorporated new technologies to keep default rates stable, below the market average, and to facilitate the formalization of credit.

Risk mitigation was strengthened with digital solutions to support human decisions, including

enhancements to credit pre-analysis, providing customers with negotiation options, and validating identity through facial biometrics. These measures have nearly eliminated fraud in financing.

One of the company's concerns regarding cybersecurity is strengthening its value chain. To achieve this, we worked with a group of critical suppliers – collection offices – that tested their resilience in the face of digital attacks. The results showed that response quality has improved.

New technologies contributed to keeping default rates low and to facilitating credit operations

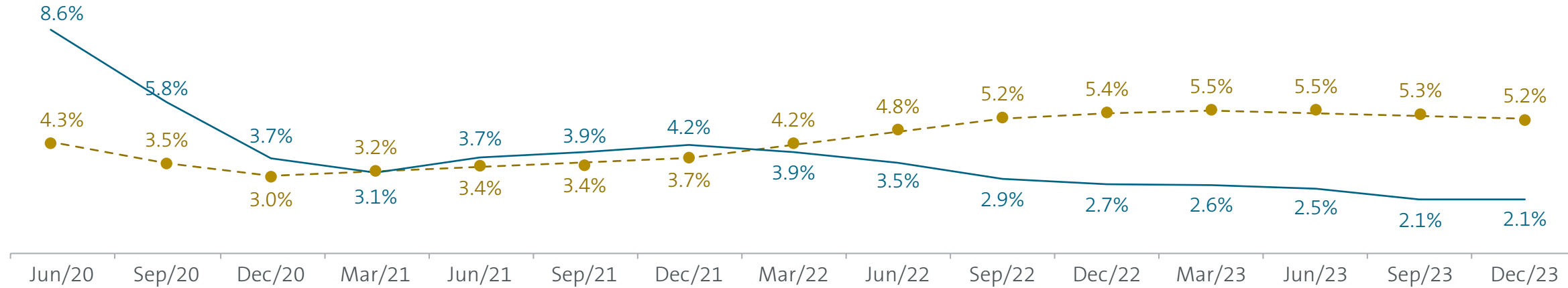


Risk - key indicators - 2020 to 2023

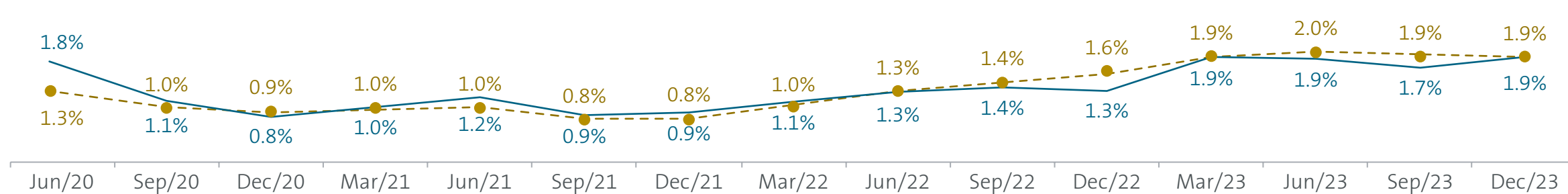
	2020	2021	2022	2023
Wallet	19,056	23,663	31,863	37,429
% Portfolio with a default in excess of 90 days	2.2%	2.2%	1.8%	2.0%
Provision	633	706	824	1,140
% Provision/Portfolio	3.3%	3.0%	2.6%	3.0%
Losses	696	425	475	531
% Losses/Portfolio	3.7%	1.8%	1.5%	1.4%

Default of more than 90 days - Banco Volkswagen vs. Market*

Direct Consumer Credit (DCC) - vehicles - individuals - Jun/2020 to Dec/2023



Direct Consumer Credit (DCC) - vehicles - legal entity - Jun/2020 to Dec/2023



* Standard BRGAAP values

Source: Central Bank of Brazil. Credit Statistics in the National Financial System. Report from the National Association of Credit, Financing and Investment Institutions (Acrefi). Prepared by VWFS in February 2023.

Market -●-
BVW Total —



Main business risks

Strategic risk

This addresses potential long-term issues stemming from decisions made by senior management. To minimize these issues, the committees hold regular meetings to monitor and review internal strategies, aligning with Integrity and Compliance standards.

Credit risk

Credit risk is related to factors external to the company that may affect the payment of credit granted. It varies according to the customer profile, the products and services offered, the amount requested and the institution granting the credit.

To achieve strategic objectives and ensure adequate risk management, the credit risk management structure at VWFS aligns with the headquarters' guidelines, the Basel Accord requirements, and the mandates of the National Monetary Council and of the Central Bank of Brazil.

Interest rate risk

This is defined as the risk, current or prospective, of adverse interest rate movements impacting the balance sheet structure for instruments classified in the banking book (IRRBB) – the case of all company operations.

The company measures, evaluates and monitors interest rate risk in accordance with the policies, guidelines and operational limits established by a specific committee. These actions meet the standards of regulatory bodies and are based on models aligned with best practices. For monitoring and control, we use these three methodologies:

- **Economic Value of Equity (EVE)**, which measures the variation in the net present value of assets and liabilities, according to interest rate shocks and stress scenarios;
- **Net Interest Income (NII)**, sensitivity measure that simulates the impacts of interest rate fluctuations on financial intermediation results, and
- **Stress Test**, which assesses the impact of significant simulated fluctuations in interest rates.

Liquidity risk

This is the risk that the company may be unable to meet expected or unexpected obligations, both current and future, without impacting its daily operations or incurring significant losses, or, also, of potentially being unable to negotiate its assets at market prices when selling them. This risk is measured, evaluated and monitored daily.

Operational risk

This refers to the risk of losses due to failures, deficiencies, or inadequacies in internal processes, people, systems, or external events. VWFS Brasil considers the following operational risk events:

- Internal and external fraud;
- Labor demands and inadequate safety in the workplace;
- Inadequate practices relating to customers, products and services;
- Damage to physical assets owned or in use;
- Situations that lead to interruption of activities, and
- Failures in Information Technology (IT) systems, processes or infrastructure and in executing, meeting deadlines or managing activities.

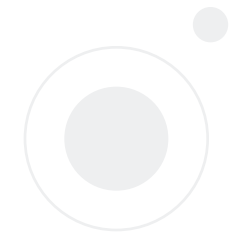
Social, environment and climate risk

Social risk is defined as the possibility of losses due to events associated with the breach of fundamental rights and guarantees, or acts harmful to common interest.

Environmental risk is the possibility of losses due to events associated with the degradation of the environment, including the excessive use of natural resources.

Transition risks and physical risks associated with the climate are defined as:

- **Climate transition risk:** The possibility of losses for the institution due to events associated with the transition to a low-carbon economy, which involves reducing or offsetting greenhouse gas emissions and preserving natural mechanisms for capturing these gases, and
- **Physical climate risk:** The possibility of losses for the institution caused by events associated with frequent and severe weather. It also includes long-term environmental changes that may be linked to changes in weather patterns.



Sustainability vision

FS1, FS2, FS3, FS4, FS5, FS7, FS8, FN-IN-410a.2, ODS 8

At VWFS Brasil, environmental, social, and governance aspects are integrated into investment management processes and strategies through the monitoring of indicators by the area responsible and the ES&G Sustainability Committee, as outlined in the Social, Environmental, and Climate Responsibility Policy (PR SAC).

Adopted in 2022, this policy became mandatory from January 2023 for evaluating credit transactions, investments, relevant suppliers, monitoring the economic sector, and relevant customers.



Check out our [Social, Environmental and Climate Responsibility and Risk Policy](#)

The PR SAC sets guidelines for the company to adequately address social, environmental and climate issues.

It also guides us to monitor compliance with actions, evaluate their effectiveness and identify needs for adjustments. Additionally, it gives us parameters to capture and analyze the level of customer exposure to these risks.

This policy must be reviewed annually, in accordance with the governance instances established and approved by the board, for three areas:

- Operational, Market, Liquidity & BCM (Business Continuity Management);
- Legal, and
- ESG & Sustainability.



All new products or significant changes to VWFS Brasil's products undergo assessments for social, environmental, and climate risks, as well as for the risk of money laundering. Relevant suppliers are also assessed.

The PTP (Product Transparency Process) policy aims to propose a full analysis before changing an existing product or launching a new one.

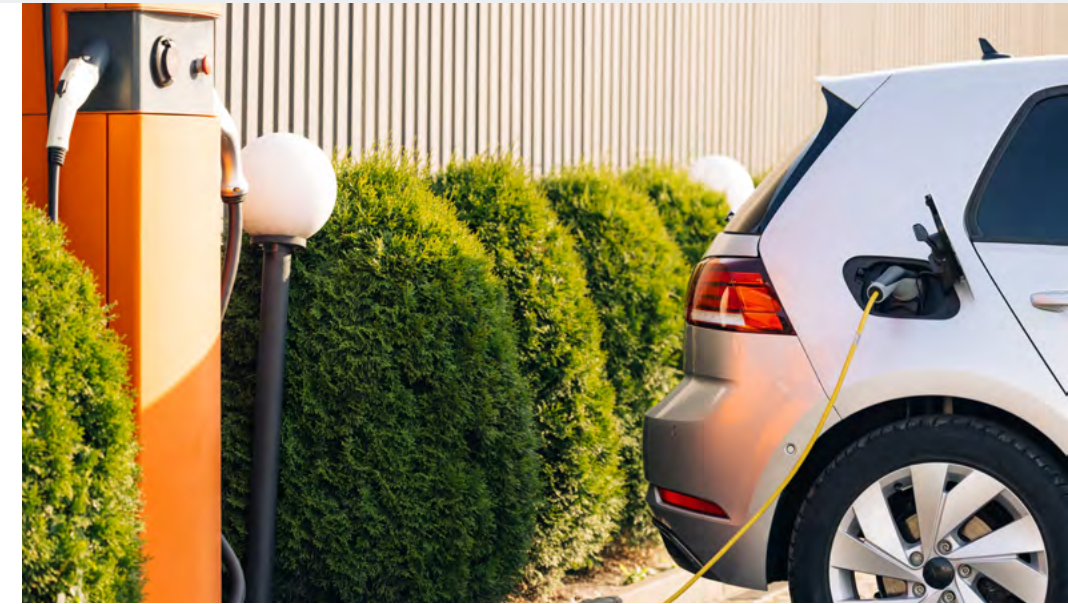
We monitor compliance with environmental and social improvement objectives agreed with customers on a quarterly basis

This analysis extends to the main areas of VWFS Brasil to obtain technical opinions. Thus, we were able to cover points of view on different aspects, such as:

- Organizational guidelines;
- Product maturity level;
- Technology needs;
- Financial feasibility, and
- Legal analysis.

The Risk Department shares the legal analysis with Legal and Compliance departments and conducts a preliminary assessment of potential environmental impacts.

When necessary, we conduct training with the teams that implement PRSAC. In 2023, the Corporate Credit team underwent new training covering PRSAC guidelines and the social, environmental, and climate risk assessment process in corporate credit transactions, as well as approval authority.



We monitor compliance with environmental and social improvement objectives agreed with clients on a quarterly basis, using consultations on relevant lists and news, and report to the ESG and Risk Committees.

This monitoring includes checking Softon lists, which feature news and notes on the embargo list of the Brazilian Institute of Environment and Renewable Natural Resources (Ibama). To date, no significant customer non-compliances have been identified.



We are conducting an internal analysis to determine the monetary value allocated to products with social benefits per line of business. We aspire to report this information in the upcoming cycles.

The organization maintains its own internal audit structure that supports senior management and the Audit Committee in assessing risk management, including socio-environmental and climate risks, as well as governance and customer satisfaction aspects.

Climate strategy

GRI 201-2, TCFD 2a, 2b, 2c. 3a, 3b, 3c

VWFS Brasil analyzes the impact of climate change on various business areas, prioritizing environmental disasters that result in loss of inventory and affect payments.

Annually, we carry out stress tests in accordance with Central Bank guidelines, integrating environmental, social and climate analyses. We identify environmental disasters as a medium-term climate risk that could impact dealership operations.

Mitigation strategies include amicable agreements for the recovery of affected vehicles and a 54 percent reduction in the value of provisions, considering mitigation measures, with an estimated cost of BRL 8.48 million.

Physical risks, such as acute environmental disasters, are also significant concerns, especially in flood-prone municipalities. Responding to these risks requires similar mitigation measures, with equal costs.



On the other hand, there are opportunities to prevent negative impacts from climate change, preserving business. The adoption of strategies to incorporate this topic into stress testing and risk management can generate substantial financial benefits, with a potential impact ranging from BRL 15 to BRL 15.7 million.

We maintain organizational flexibility to adjust capital in the face of climate risks, although to date there has been no direct impact on the organization's finances.

The organization discusses the resilience of climate-related strategies and opportunities, considering a transition to a low-carbon economy aligned with a scenario of 1.5°C or less.

Our decarbonization strategy is based on the Science Based Targets initiative (SBTi) and follows the main regulatory principles and international guidelines.

Climate risk management

Our management of climate-related risks follows PRSAC. We assess the company's sensitivity to climate issues using methodologies from the Brazilian Development Association/Inter-American Development Bank (ABDE/BID) and ratings from S&P Global Ratings.

Climate transition risk, linked to the shift to a low-carbon economy, and physical risk, associated with extreme events or long-term environmental changes, are integrated into traditional banking risk categories, such as credit, market, liquidity and operational.

Our operational losses are managed and categorized in a specific database, detailing values, the nature of the event and geographic and sectoral exposure. Interactions with interest rate and liquidity risks are monitored, and acceptance limits are established, with exception processes in case of restrictions.

The Operational Risk area monitors the concentration of credit operations in two areas: Economic sectors with high carbon emissions and relevant customers. The percentage of these sectors in the corporate credit portfolio is evaluated quarterly and reported to the Risk Committee.

The criteria for determining the relevance of a counterpart include high social, environmental, or climate exposure and financial exposure equal to or greater than BRL 30 million. Relevant customers undergo specific monitoring, including the assessment of compliance with action plans, relevant news and external audit reports.

We estimate that incorporating climate risk prevention into the corporate strategy can generate a financial benefit of almost BRL 16 million

Risk situations are discussed in the Early Warning of Credit Risk Forum, in accordance with Corporate Credit Policy 3005, and are reported to the Risk Committee and Corporate Credit and Credit Risk managers by e-mail.

All relevant changes to products and services are analyzed for their potential negative social, environmental and climate impact by the Operational Risk, Sustainability and Legal areas.

In addition, the products are submitted to the identification, measurement, evaluation, monitoring, reporting, control and mitigation of Money laundering Risks by the Compliance department.

The main projects for the portfolio in 2024 include electrification and hybridization, encouraging the use of ethanol, and analyzing carbon market projects.

At VWFS Brasil, all credit operations are evaluated for restrictions in the Institution's List of Credit Restrictions.

For corporate clients with exposure above BRL 10 million, the social, environmental, and climate exposure classification system based on CNAE is used to assign exposure levels (high, medium, or low).

Customers with low and medium exposure are checked against the restrictive lists. Additional consultations are undertaken for high exposure customers.

Environmental certificates are only required for specific CNAEs. All operations classified as high exposure are registered in the social, environmental and climate assessment database. Exceptions or absences are recorded and reported to the risk committee.

Every month, the Corporate Credit area sends a list of customers with CNAEs rated as being of high exposure to the Operational Risk, Market, Liquidity & BCM area, as well as to the ESG & Sustainability area.

Sustainability: Our ambitions



To be carbon neutral in our facilities by 2030 and in scope 3* emissions by 2050



To develop new products in light of electrification and the use of biofuels by 2025



To increase the representation of women and minority groups in leadership



To strengthen social actions in the territories where we operate



To promote preventive health for 100 percent of employees by 2025



To achieve advanced maturity in the main ESG benchmarks by 2025, in relation to the base year 2022

* Indirect emissions in the supply chain and throughout the product's life cycle.

Performance

- Economic and financial result
- Environmental performance
- Social performance



Solidity and good perspectives

GRI 201-1

Brazil's macroeconomic scenario in 2023 was marked by a gradual recovery, with growth in Gross Domestic Product (GDP), control of inflation within the Central Bank's (Bacen) target, and a drop in the unemployment rate.

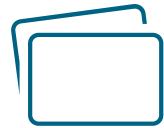
In the first half of the year, due to national and global economic uncertainty, Bacen kept the basic interest rate (Selic) at 13.75% per year. Then, with price stabilization, it began to fall, reaching 11.75% per year in December.

Despite the not entirely favorable conditions, the car and truck market continued to grow and achieved record sales, consolidating VWFS Brasil's leadership position.

The good results reflect the solid partnership with the automakers Volkswagen do Brasil, Volkswagen Truck & Bus, Audi Brasil, Ducati do Brasil and Porsche Brasil, as well as their dealership networks.



Banco Volkswagen continued to offer financial services that facilitate customers' access to products from the Group's automakers through dealerships. In the year, total assets reached BRL 42.9 billion, with credit, leasing and other types of credit transactions totaling BRL 37.4 billion.



BRL 42.9 B

is the total value
of the company's
assets in 2023



Highlights of the year

The success of the issues conducted by Banco Volkswagen in 2023 highlights the company's leadership in the Brazilian asset trading market and strengthens its credit portfolio.

Backed by the confidence of the Brazilian capital market in our operations, we can expand the product and service portfolio, making it increasingly complete and attractive.



We continue to be the largest automaker bank in Brazil, **21st among private financial institutions and 27th among banks in the country**, based on the total asset criteria, according to data from the Central Bank of Brazil.



VWFS Brasil accounts for **81 percent of all new vehicles sold with financing by the Volkswagen Group** – 73.2 percent in the truck and bus segment, and 82.1 percent in the automobile segment.



We had a **positive net inflow of BRL 1.2 billion in 2023** in CDBs offered to investors (individuals and legal entities) through investment platforms. We expanded from two to ten platforms through which we offer products, bringing us even closer to our investors.



With a solid presence in the capital market, we conducted two public offerings: **The 12th Financial Security, worth BRL 1 billion in three series**, of two, three and four years, and the sixth Credit Rights Fund (FIDC), in the amount of BRL 700 million. Demand exceed supply for both issues.



We prepared the **first Annual Report with ESG indicators available in universal language/design**, work done alongside the onset of a bold decarbonization strategy expected to be archived by 2030.



We got a **credit rating of brAAA/stable** from S&P Global and an AAA.br from Moodys, the highest granted by both agencies on a national scale for corporate credit.



In December, the subsidiary LM Soluções de Mobilidade conducted its **eighth issue of debentures, which was worth BRL 800 million**.

Economic and financial result

The consolidated financial statements of Banco Volkswagen and its subsidiaries feature the company's equity and financial position as of December 31, 2023, along with the operational performance and cash flows.

These results are presented in accordance with international financial reporting standards issued by the International Accounting Standards Board (IASB).

All relevant information was audited by the independent auditor Ernst & Young Auditores Independentes S/S Ltda. and is available in full on the [Financial Statements](#) page on VWFS Brasil's website.

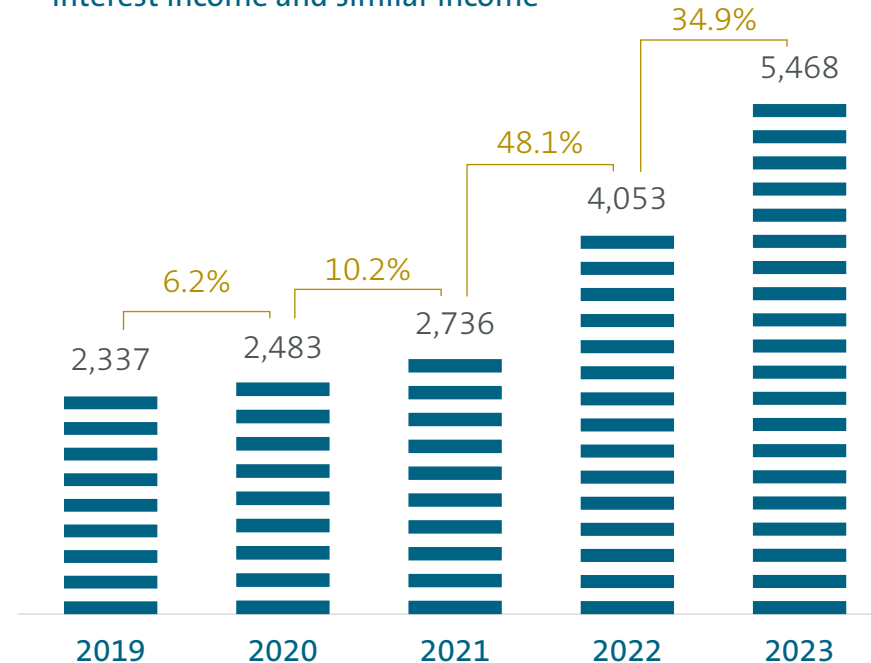


More information is available in the Attachment to this report.

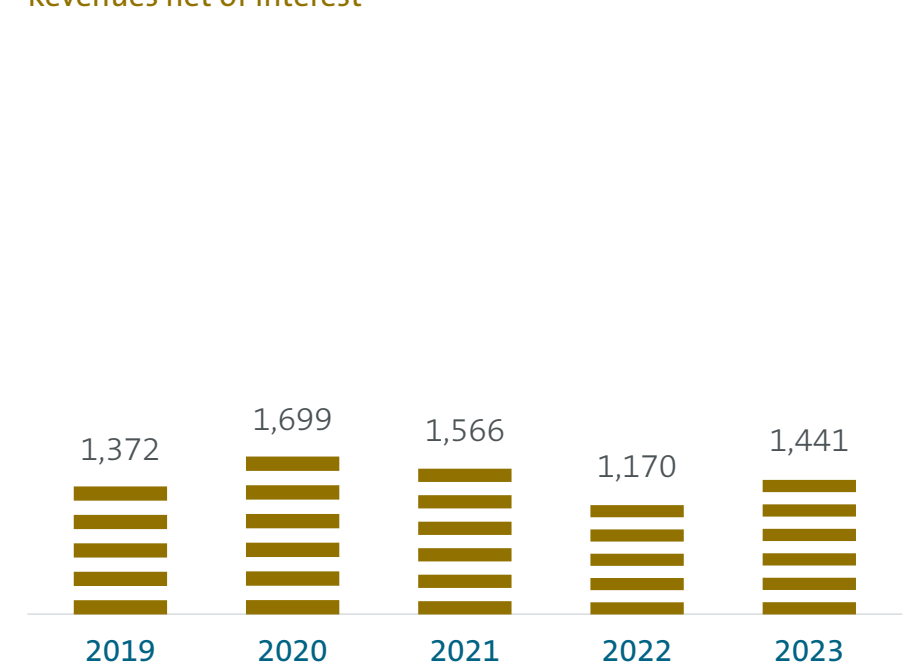
FINANCIAL PERFORMANCE - 2019/2023 – BRL MILLION / IFRS

Interest income and similar income and year-on-year variation (%) Net interest income – 2019 to 2023

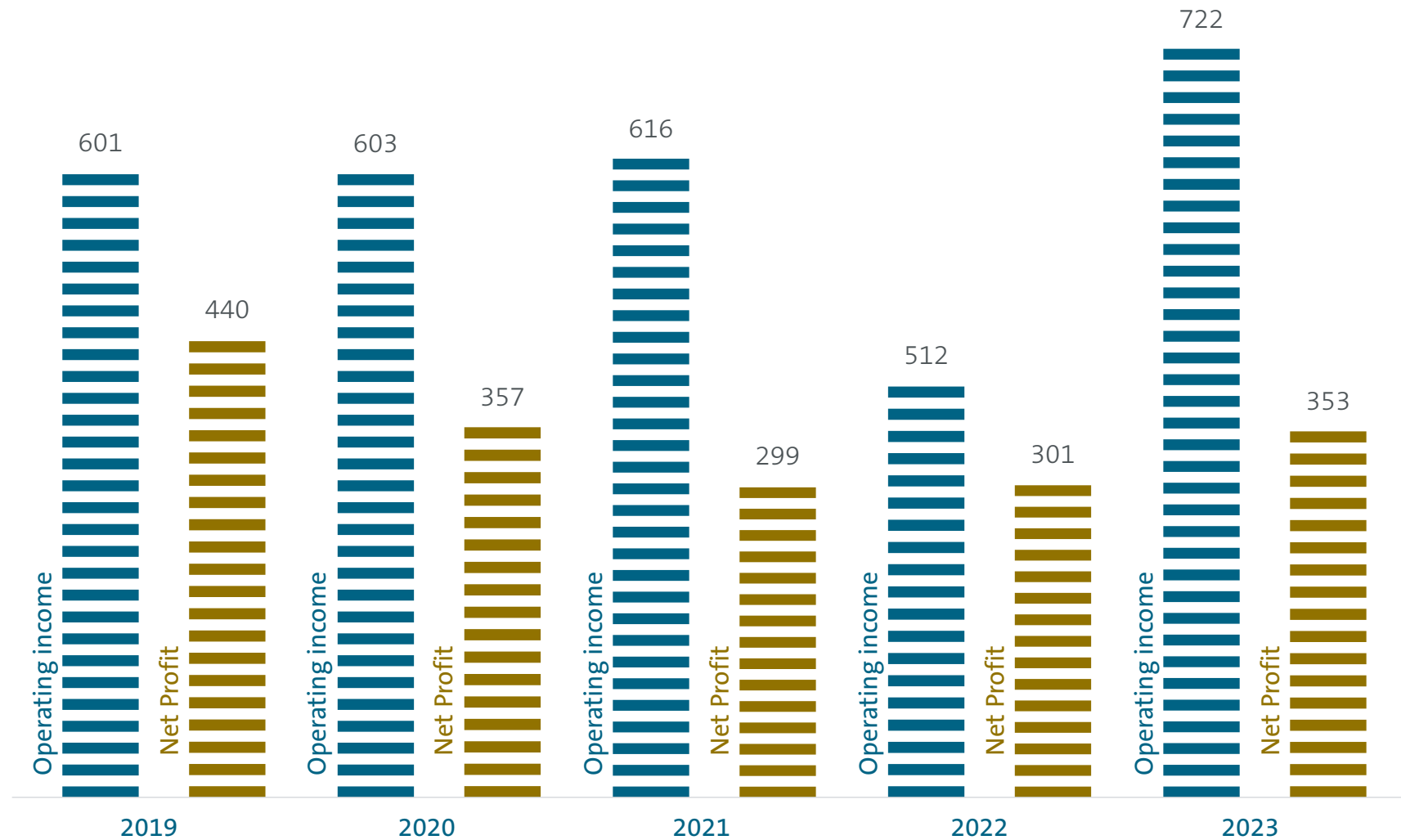
Interest income and similar income



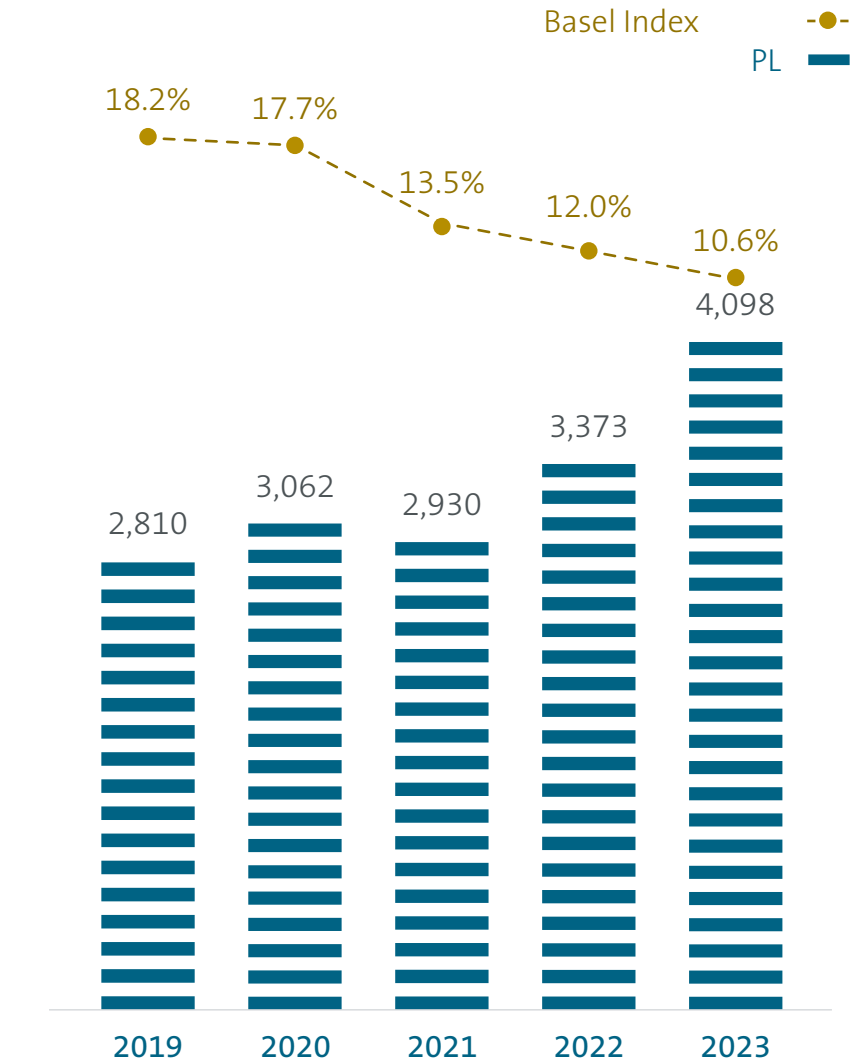
Revenues net of interest



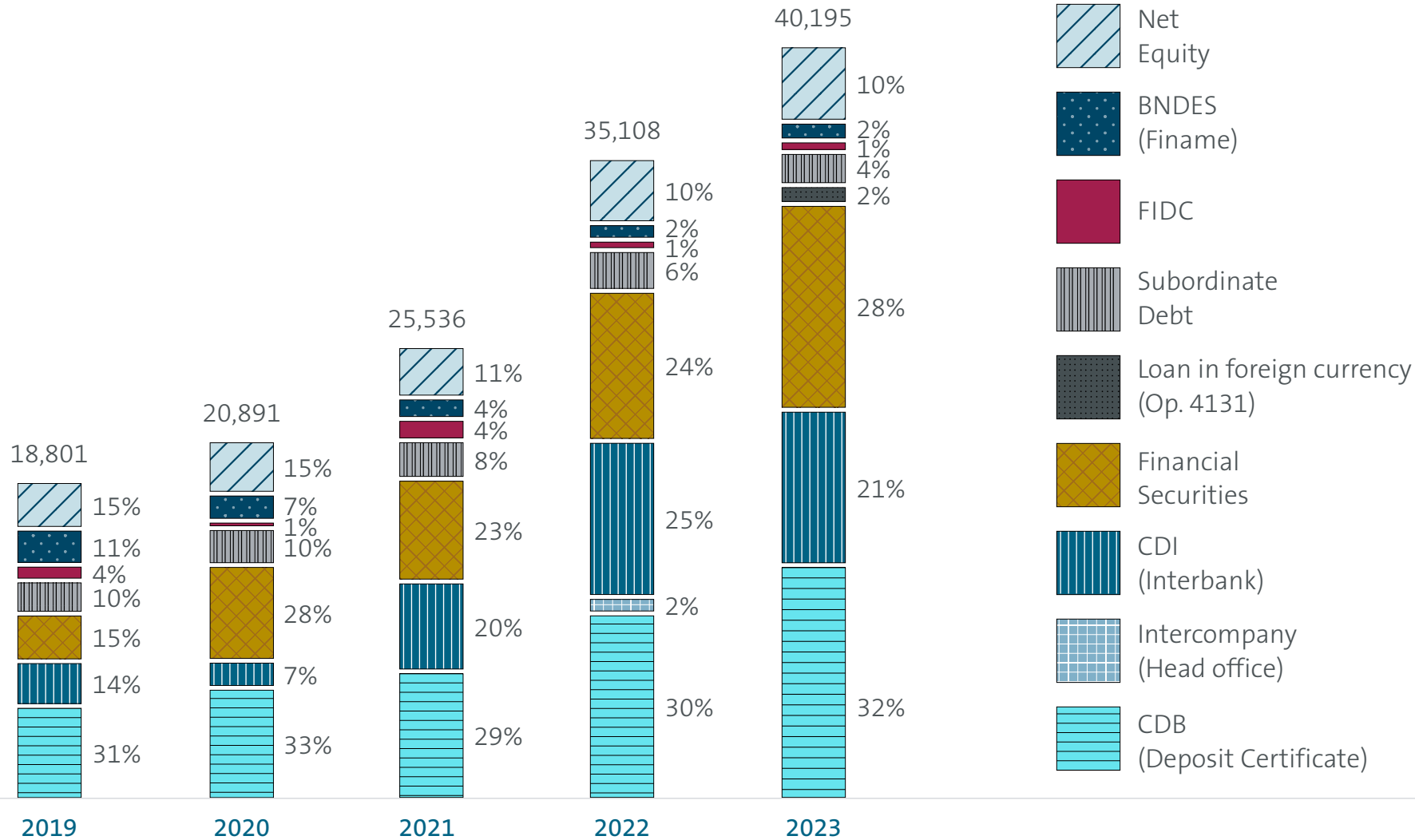
Operating Result and Net Profit



Net Income + Basel Ratio (%)

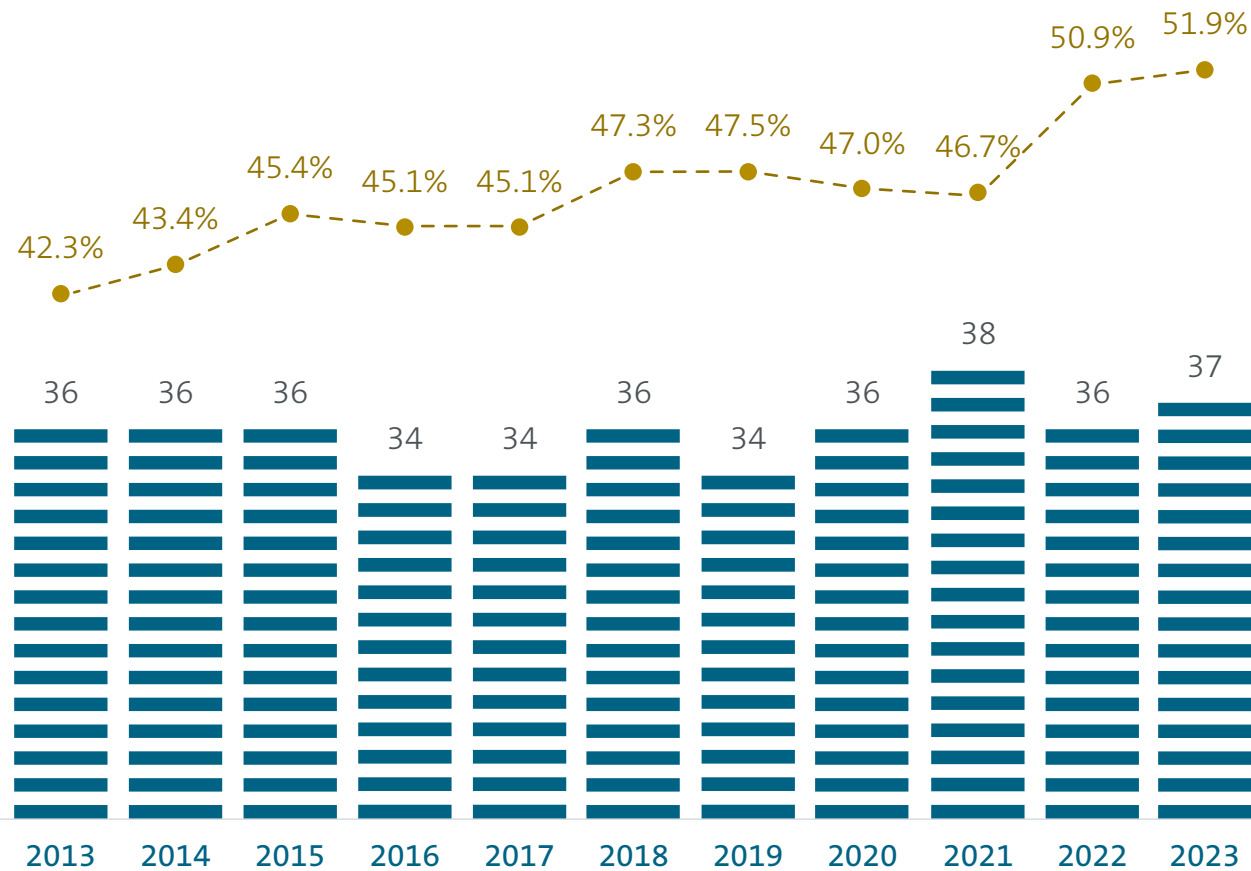


Composition of Funding

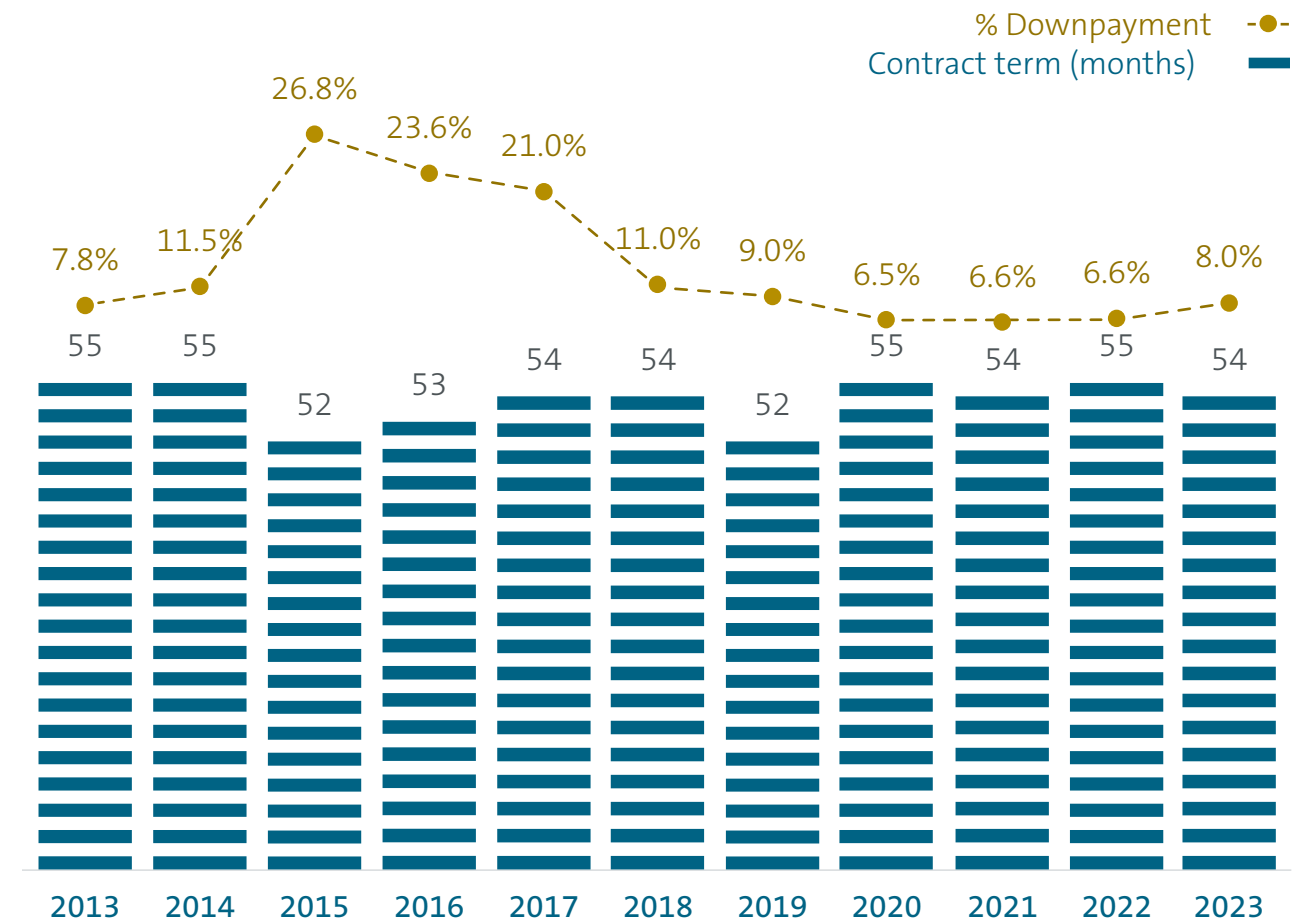


OPERATIONAL PERFORMANCE / BUSINESS PROFILE

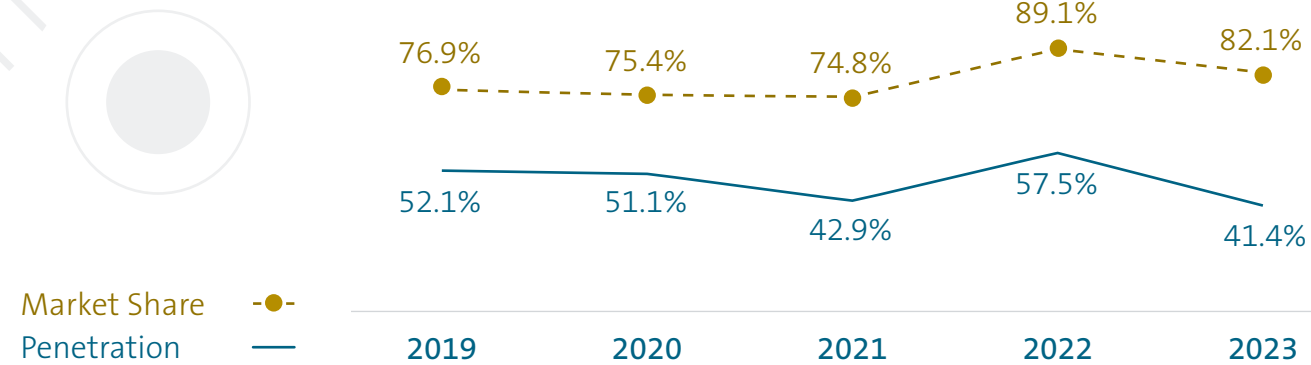
Light-duty vehicles (DCC)



Heavy-duty vehicles (DCC and Finame)



Light-duty vehicles (VW and Audi)



Direct economic value generated and distributed: 2023* GRI 201-1

Direct economic value generated	Value (BRL)
Revenues	6,077,880
Distributed economic value	Value (BRL)
Operating costs	5,114,226
Employee salaries and benefits	**
Payments to providers of capital	0
Payments to government (by country)	594,982
TOTAL	5,709,208
	Value (BRL)
Economic value withheld	360,253

* Data are presented on an accrual basis of accounting.

** For employee salary data and other details of financial results, check out Banco Volkswagen's Financial Statements.

Environmental performance



In 2023, following the establishment of the ESG & Sustainability department, we completed and released our inaugural greenhouse gas (GHG) inventory for 2022. This achievement was recognized with the Gold Seal of the Brazilian GHG Program, a certification unprecedented within the Volkswagen Group and also earned by the automaker VW Brasil and LM Soluções em Mobilidade.

This advance is connected to the global strategy Mobility 2030, which seeks to reach neutrality in CO₂ emissions until 2030. To achieve this, we are broadening access to electric mobility, promoting the use of biofuels, and advocating for clean energy usage.

Achieving the Gold Seal in the Brazilian GHG Protocol Program demonstrates the company's commitment to a transparent decarbonization policy



The Brazilian GHG Program is an initiative linked to the Center for Sustainability Studies of Fundação Getúlio Vargas (FGVces) for registering and publishing GHG emissions inventories, through a Public Emissions Registry platform.

Created by a partnership between the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), it uses accounting standards for emissions and removals (GHG) for various industries. The Gold Seal is the highest qualification of the Program and comes with ISO 14-064-1 certification.

Certifications are valid for one year and can be renewed in the next cycle. They demonstrate that both Volkswagen Group companies have produced complete and transparent documentation, verified by an independent third party that audits the companies on behalf of the Brazilian GHG Protocol Program.

These two certificates reaffirm the company's leading position in the Brazilian sustainable mobility market, showcasing the quality of its transformation toward increasingly sustainable operations.





Climate change: Risks and opportunities

GRI 201-2

For the company, physical and regulatory risks related to climate change include extreme weather events, economic impacts and political instability. They have a potential effect on infrastructure, finances and operations.

The identified opportunities encompass sustainable transport, green technologies, and carbon markets, with an emphasis on developing electric vehicles and promoting sustainable business models.

We manage these factors through fuel substitution, improving energy efficiency and using renewable energy certificates.

The financial costs of the measures taken to manage risks and opportunities, estimated at BRL 3.6 million, involve personnel, training and development, external consulting, data collection and analysis, independent audits and reviews.

These costs also include resilience and prevention actions, compliance and regulatory conformity, communication and awareness, safety and quality control, in addition to periodic reviews and updates.



GHG emissions

GRI 305-1, 305-2 e 305-3, 305-4, 305-5

We have been reporting greenhouse gas (GHG) emissions on a consolidated basis since 2022, which was selected as the initial year for inventory calculation. There were no significant changes in emissions that required recalculations.

The references, standards, methodologies and tools used for emission factors and global warming potentials (GWP) were the GHG Protocol and ISO 14064.

For indirect Scope 3 emissions, we also use as a reference the Partnership for Carbon Accounting in the Financial Sector (PCAF), a global initiative to standardize the approach to the topic.

The differences in GHG emissions between 2023 and the preceding year were achieved by our internal fleet, which included the integration of electric and hybrid vehicles, the procurement of renewable energy, the discontinuation of diesel use, a 50 percent decrease in gasoline consumption, and a 50 percent increase in ethanol utilization. This enabled us to reduce scope 1 emissions by up to 43 percent.

DIRECT EMISSIONS (SCOPE 1)

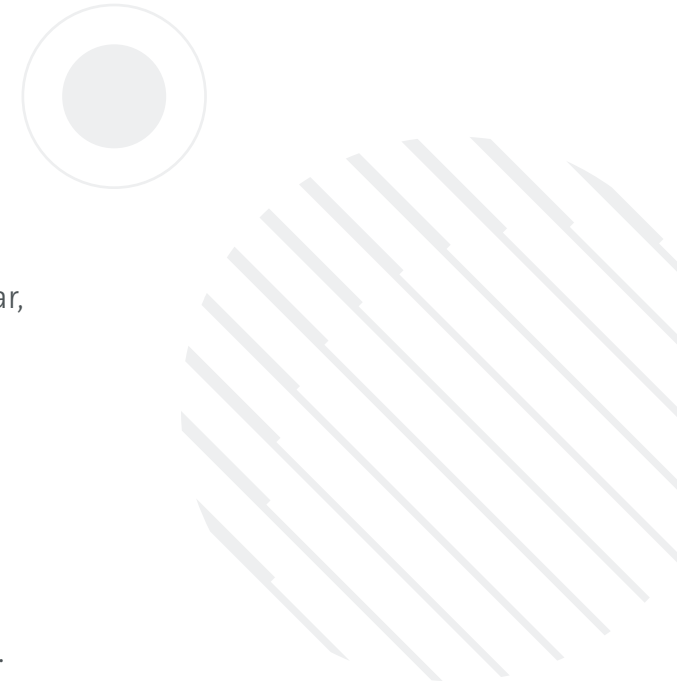
The gases included in the calculation for the report were carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). In the base year, total emissions were 107.95 t CO₂eq. (tons of CO₂ equivalent). The consolidation method employed to compute direct emissions was operational control.

INDIRECT EMISSIONS (SCOPE 2)

VWFS Brasil calculates indirect emissions from energy acquisition (Scope 2) based on the purchasing choice approach and on location. Total emissions were 48.58 t CO₂ eq and included carbon dioxide (CO₂) as the evaluated gas. Total Scope 2 emissions in the base year were 43.09 t CO₂ eq. We use the operational control approach to calculate consolidation.

OTHER INDIRECT EMISSIONS (SCOPE 3)

In the base year, total indirect scope 3 emissions, which occur throughout the company's value chain, amounted to 1,351,856.46 t CO₂eq. Total scope 3 emissions in tons of CO₂ equivalent was 1,608,339.83 and included the following gases: Carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). We included business trips and the financed portfolio in the calculations.



The company's GHG emissions report uses the GHG Protocol, ISO 14064, PCAF and SBTi as references

Emissions of Greenhouse Gases – Scopes 1, 2 and 3 – 2022 and 2023 (tCO₂e) GRI 305-1, 305-2 e 305-3

	2022	2023
	Emissions (tCO ₂ e)	
Scope 1	-	62.07
Mobile Combustion	-	-
Fugitive Emissions	0.31	-
Biogenic emissions of CO ₂ (Scope 1)	-	522.48
Scope 2	43.09	48.58
Scope 3*	1,351,856.46	1,608,339.83

* Work related to scope 3 was conducted throughout 2023.

GHG emissions intensity – Scopes 1 and 2 – 2023 (tCO₂e/employees) GRI 305-4

Gases included in the calculation	Carbon dioxide (CO ₂), methane (CH ₄) and Nitrous oxide (N ₂ O)
Total emissions in the scopes	110.66
Employees	656
Emission intensity	0.17



Reduction in GHG emissions* GRI 305-5

	Scope 1	Scope 2	Scope 3
Emissions in the base year	107.95	43.09	1,351,856.46
Emissions in the reporting year	62.07	48.58	1,608,339.83
Difference in emissions compared to the base year	-45.88	+5.49	+256,483.37

* The gases considered in the calculation include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). The base year is 2022, the first year of inventory calculation. The methodologies used were the GHG Protocol and ISO 14064



Reduction of emissions: Metrics and targets

TCFD 4c

Target

Fifty percent reduction in scope 1 and 2 GHG emissions by 2025. The goal is to be carbon neutral in our own facilities by 2030.

Unit of measurement

TCO₂eq.

Base year

2022, start of measurements.

Performance indicators

Greenhouse gas emissions (scopes 1, 2 and 3) and percentage of reduction in GHG emissions in relation to the base year 2022.

Methodologies

Methodologies used to assess progress toward established goals include SBTi, PCAF, and the GHG Protocol.

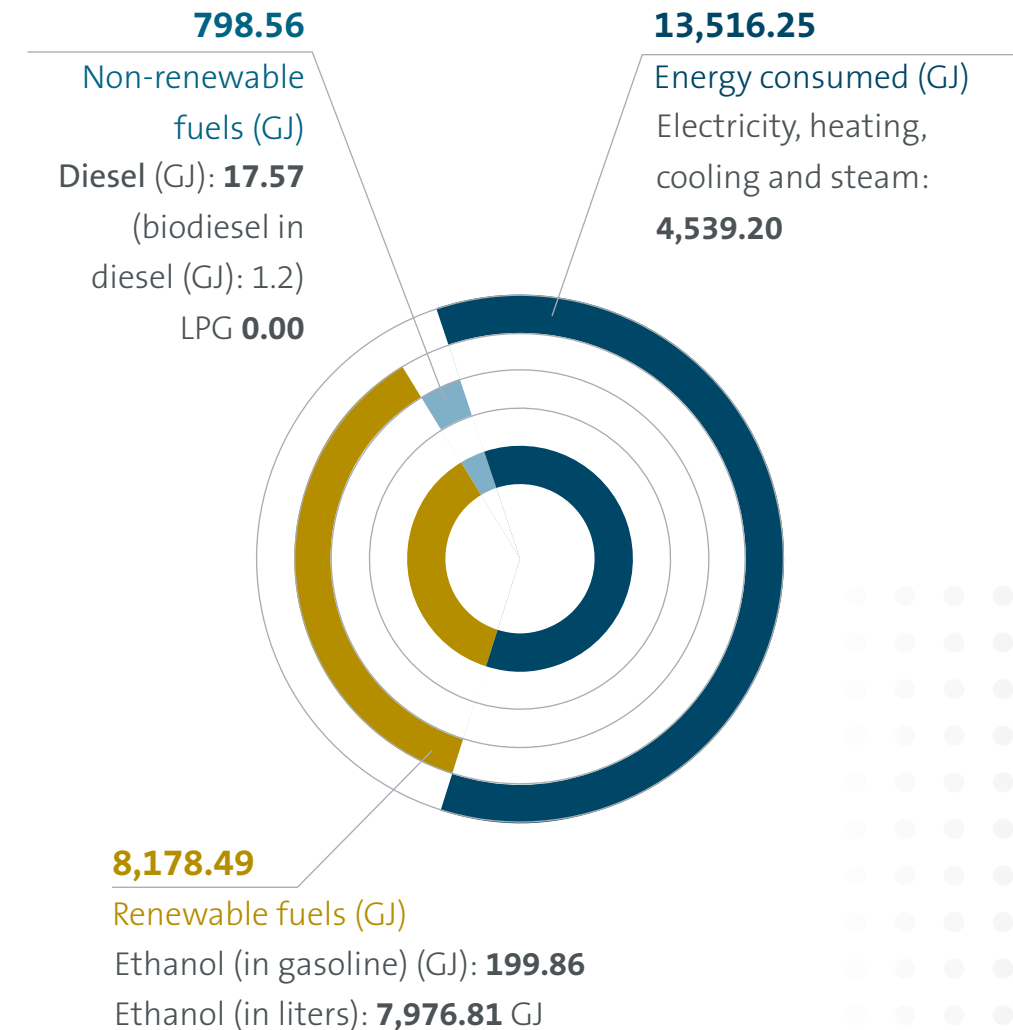
Reduction of energy consumption

GRI 302-3, 302-4

The organization's efforts to reduce energy consumption include efficiency programs targeting electricity usage, along with the procurement of renewable energy through I-REC certification. We had a reduction of **3,682.8 GJ** from direct emissions with a base year of 2022, when we began to implement the ESG and Sustainability processes and with the first greenhouse gas inventory audited pursuant to the GHG Protocol.

* VWFS Brasil does not sell energy, nor does it conduct measurements outside the organization. The energy intensity rate was 6.35. The metric used to calculate this intensity, based on electricity use, was the total number of employees.

Energy consumption within the organization* GRI 302-1



Actions for sustainability

VWFS Brasil made a successful marketing and sales action aimed at customer loyalty and sustainability, in partnership with Volkswagen do Brasil, to encourage the use of Ethanol.

Between December 6, 2023 and January 31, 2024, customers who repurchased four vehicle models – Polo, Virtus, Nivus and T-Cross – were given a credit of BRL 500 in ethanol, plus an exemption from six monthly payments of the Sem Parar toll tag.

The action made a concrete contribution to the reduction of GHG emissions, valued customer loyalty and accounted for 8 percent of VW's retail sales volume in the period. Due to the good results attained, the company continued this effort in 2024.

Other initiatives in the year:

- Obtaining the International Renewable Energy Certificate (I-REC) from the automaker;
- Replacing 100 percent of plastic cups with paper and biodegradable cups for drinking water and coffee;
- Installation of chargers for electrical positions in the main office building;
- Increased use of ethanol in corporate fleet cars;
- Internal campaign aimed at engaging and training employees in environmental preservation and related sustainability topics, including the distribution of courses, books, films, and lectures, among other resources;
- Live ESG VWFS Brasil, with two online presentation sessions on our sustainable journey methodology for representatives of other countries where VWFS operates. A theme that was under the limelight was adherence to the UN Global Compact.



Discover our
[Sponsorship Policy](#)

Social performance

GRI 2-5, 3-3, 410-1, 413-1, 413-2, ODS 10

VWFS Brasil is committed to promoting human rights not only in its business, but also in the community and the production chain. To achieve this, the company implements various initiatives involving stakeholders, such as incorporating the topic into supplier contract clauses.

To manage impacts related to the topic, we created strategic actions with the Fundação Grupo Volkswagen (FGVW), other group brands and social entities, seeking to strengthen actions in the territories where we operate.

Objectives, targets and indicators used to assess progress include equalizing maternity leave bonus proportionality for all positions.

Within the local community, we conduct engagement activities, human development programs, and participatory assessments of environmental and social impacts. All of these actions are continuously monitored and their results are publicly disclosed.

Although it does not have local development plans, the company has mapping-based engagement strategies for stakeholders. The territory is diagnosed in partnership with FGVW.



We interact with communities in different ways, depending on the particularities of each audience. For example, this may include volunteering actions, internal donation campaigns, bazaars and sponsorship of cultural and social initiatives.

In addition to contributing financially to assistance actions, VWFS Brasil supports cultural and sporting events through government programs or sponsorships.

Main initiatives

The main actions conducted by VWFS Brasil in 2023 were:

CONVERSATION CIRCLE AT ALDEIA DO FUTURO

On November 24, five professionals from the company participated in two conversation sessions with one hundred students from the Human Resources and Business Administration courses

at the social organization Aldeia do Futuro, in the Americanópolis neighborhood, in São Paulo (SP). The conversation focused on the life and career journey.

Aldeia do Futuro works to qualify young people in a community that is located 3 km from our headquarters. Every six months, the organization includes around 300 people in the job market, of the 600 who are trained in the HR, business administration, gastronomy and hairdressing courses, among others.



VWFS DAY

On the morning of December 6, we welcomed 20 young individuals at the company's headquarters in the Jabaquara neighborhood. They were attending Aldeia do Futuro courses. The group participated in a guided tour and had the opportunity to talk to several professionals about their life and career journey.

Another relevant project was the launch of an audiovisual guide on human rights aimed at our supply chain.

We undertook the following actions in partnership with FGVW:

FAVELA 3D

In May, we took the Favela 3D (Dignified, Digital and Developed) project, which aims to interrupt the cycle of poverty in the community, to Favela do Haiti, in São Paulo. Supported by VWFS Brasil, the initiative involves the music festival The Town, the NGOs Gerando Falcões and Vozes das Periferias, Gerdau and the city hall.



VISIT TO THE VILLAGE OF TEKOA GUYRAPAJU

In June, a group of company professionals visited residents of the Tekoa Guyrapaju village, located in the Guarani Tenondé Porã Indigenous Land. This land spans across the municipality of São Bernardo do Campo, in the ABC region (Greater São Paulo), and the municipalities of São Vicente and Mongaguá in the Baixada Santista region. The initiative included discussions on preserving water sources and establishing community gardens, alongside donations of food and winter items.

VOLUNTEERING AT ADD

On August 12, we cleaned and repaired wheelchairs and renovated the garden of Associação Desportiva para Deficientes (Sports Association for the Disabled), located in the Jabaquara neighborhood. The organization backs the development of Paralympic athletes.










Additional information



- [GRI content summary](#)
- [SASB](#)
- [TCFD](#)
- [Financial Statements](#)
- [Audit letter](#)
- [Credits](#)


GRI Content Summary






Statement of Use	Volkswagen Financial Services Brasil reported in accordance with the GRI Standards for the period January 1st, 2023 to December 31st, 2024.
GRI 1 used	GRI 1: Fundamentals 2021
Applicable GRI sector standard(s)	None




GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
General disclosures						
GRI 2: General Content 2021	2-1 Organizational details	10; 21				
GRI 2: General Content 2021	2-2 Entities included in the organization's sustainability reporting	22; 25				
GRI 2: General Content 2021	2-3 Reporting period, frequency, and contact point	10; 12				
GRI 2: General Content 2021	2-4 Restatements of information	There was no information restatement.				
GRI 2: General Content 2021	2-5 External assurance	149				












GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 2: General Content 2021	2-6 Activities, value chain, and other business relationships	21				
GRI 2: General Content 2021	2-7 Employees	60				 
GRI 2: General Content 2021	2-8 Workers who are not employees	60				
GRI 2: General Content 2021	2-9 Governance structure and composition	29; 32				 
GRI 2: General Content 2021	2-10 Nomination and selection of the highest governance body	32				 
GRI 2: General Content 2021	2- 11 Chair of the highest governance body	32				
GRI 2: General Content 2021	2-12 Role of the highest governance body in overseeing the management of impacts	39				
GRI 2: General Content 2021	2-13 Delegation of responsibility for managing impacts	16; 39				
GRI 2: General Content 2021	2-14 Role of the highest governance body in sustainability reporting	32				



GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 2: General Content 2021	2-15 Conflicts of interest	44; 45				
GRI 2: General Content 2021	2-16 Communication of critical concerns	40				
GRI 2: General Content 2021	2-17 Collective knowledge of the highest governance body	5				
GRI 2: General Content 2021	2-18 Evaluation of the performance of the highest governance body	33				
GRI 2: General Content 2021	2-19 Remuneration policies	37				
GRI 2: General Content 2021	2-20 Process to determine remuneration	35				
GRI 2: General Content 2021	2-21 Annual total compensation ratio	36				
GRI 2: General Content 2021	2-22 Statement on sustainable development strategy	5				
GRI 2: General Content 2021	2-23 Policy commitments	47				
GRI 2: General Content 2021	2-24 Embedding policy commitments	47; 48				
GRI 2: General Content 2021	2-25 Processes to remediate negative impacts	51; 52				








GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 2: General Content 2021	2-26 Mechanisms for seeking advice and raising concerns	47				
GRI 2: General Content 2021	2- 27 Compliance with laws and regulations	48				
GRI 2: General Content 2021	2-28 Membership in associations	47				
GRI 2: General Content 2021	2-29 Approach to stakeholder engagement	84; 85				
GRI 2: General Content 2021	2-30 Collective bargaining agreements	75				
Material topics						
GRI 3: Material Topics 2023	3-1 Process of determining material topics	12				
GRI 3: Material Topics 2023	3-2 List of material topics	12				
Ethics/Privacy and Data Security/Risk Management						
GRI 3: Material Topics 2023	3-3 Management of material topics	15; 46				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	53				

GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	53				
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	53				
GRI 207: Tax 2019	207-2 Tax governance, control and risk management	42				
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	84				
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	91				
GRI FS: Financial sector supplement	FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	55				
Resilience of the business model						
GRI 3: Material Topics 2023	3-3 Management of material topics	17				





GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	110				 
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	100; 101				
GRI FS: Financial sector supplement	FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	98				
GRI FS: Financial sector supplement	FS5 Interactions with clients, investees, and business partners regarding environmental and social risks and opportunities	98				
GRI FS: Financial sector supplement	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	100				
GRI FS: Financial sector supplement	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	98				






GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
Diversity and inclusion						
GRI 3: Material Topics 2023	3-3 Management of material topics	63				
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage.	36				 
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	70				   
GRI 404: Training and education 2016	404-2 Programs for improving employee skills and career transition assistance	68				
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	71				  
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	61; 62				 













GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of the basic salary and remuneration of women to men	65				
GRI FS: Financial sector supplement	FS14 Initiatives to improve access to financial services for people with disabilities	81				
Product life cycle management						
GRI 3: Material Topics 2023	3-3 Management of material topics	18				
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	117				
GRI 413: Local communities 2016	413-2 Operations with significant actual or potential negative impacts on local communities	117				
GRI 416: Health and safety of consumers 2016	416-1 Assessment of the health and safety impacts of product and service categories	77				
GRI 416: Health and safety of consumers 2016	416- 2 Incidents of non-compliance concerning the health and safety impacts of products and services	77				






GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI FS: Financial sector supplement	FS1 Policies with specific environmental and social components applied to business lines	98; 99				
GRI FS: Financial sector supplement	FS2 Procedures for assessing and screening environmental and social risks in business lines	98; 99				
GRI FS: Financial sector supplement	FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	99				
Employee health and safety						
GRI 3: Material Topics 2023	3-3 Management of material topics	19				
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	73				  
GRI 401: Employment 2016	401-3 Parental leave	74				 
GRI 403: Health and safety at work 2018	403-1 Occupational health and safety management system	77; 79				 

GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 403: Health and safety at work 2018	403-2 Hazard identification, risk assessment, and incident investigation	80				
GRI 403: Health and safety at work 2018	403-3 Occupational health services	77; 79				
GRI 403: Health and safety at work 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	77				
GRI 403: Health and safety at work 2018	403-5 Worker training on occupational health and safety	77				
GRI 403: Health and safety at work 2018	403-6 Worker access to non-occupational medical and healthcare services	79				
GRI 403: Health and safety at work 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	80				
GRI 403: Health and safety at work 2018	403-8 Workers covered by an occupational health and safety management system	78				

GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 403: Health and safety at work 2018	403- 9 Work-related injuries	78; 79				
GRI 403: Health and safety at work 2018	403-10 Work-related ill health	79	c.ii, c.iii	Not applicable	There were no cases of occupational illnesses among employees	
Human rights and community relations						
GRI 3: Material Topics 2023	3-3 Management of material topics	64; 117				
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	36				
GRI 406: Non-Discrimination 2016	406- 1 Incidents of discrimination and corrective actions taken	64				

GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	82				
GRI 409: Forced labor or similar to slavery 2016	409-1 Operations and suppliers at significant risk for cases of forced or compulsory labor	82				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	82				
Energy management						
GRI 3: Material Topics 2023	3-3 Management of material topics	18				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	115				
GRI 302: Energy 2016	302-2 Energy consumption outside the organization	-	a, b, c	Not applicable.	We do not measure energy consumption outside the organization.	

GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 302: Energy 2016	302-3 Energy intensity	115				   
GRI 302: Energy 2016	302-4 Reductions in energy consumption	115				   
GRI 302: Energy 2016	302-5 Reductions in energy requirements for products and services	-	a,b,c	Not applica- ble.	As we finance vehicles, the energy reduction in these products is not calculated.	   
Atmospheric Emissions						
GRI 3: Material Topics 2023	3-3 Management of material topics	16				

GRI Standard/ other source	Content	Location	Requirements omitted	Reason for omission	Explanation of omission	Sustainable Development Objectives
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse emissions (GHG)	113; 114				
GRI 305: Emissions 2016	305-2 Indirect greenhouse gas (GHG) emissions (scope 2) from energy acquisition	113; 114				
GRI 305: Emissions 2016	305-3 Other indirect greenhouse (GHG) emissions (Scope 3)	113; 114				
GRI 305: Emissions 2016	305-4 Greenhouse gas (GHG) emissions intensity	114				
GRI 305: Emissions 2016	305-5 Reduction of greenhouse gas (GHG) emission	114				

SASB

FN-CF-220a.1 - Consumer finance | Client privacy

The organization does not process account holders' personal data for secondary purposes, maintaining a strict commitment to the privacy and protection of its customers' data.

	2023 Number and percentage
Number of complaints registered	2,122
Percentage with monetary or non-monetary exemption	0
Percentage contested by the consumer	100%

FN-CF-220a.2 - Consumer finance | Client privacy

The organization recorded no monetary losses resulting from legal proceedings associated with customer privacy in the years 2021, 2022 and 2023, indicating an effective commitment to protecting customer data.

FN-CF-270a.1 - Consumer financing | Sales practices

In 2023, 85 percent of total employee compensation was variable and tied to the quantity of products and services sold.

FN-CF-270a.4 - Consumer financing | Sales practices

a. (1) Number of customer complaints filed with applicable jurisdictional, legal or regulatory agencies or other organizations during the reporting period (2) Percentage with monetary or non-monetary relief.

FN-IN-450a.3 - Insurance | Exposure to environmental risk

Volkswagen do Brasil has an environmental risk policy which is renewed annually and is underwritten by the insurance company. At each renewal, the insurer presents the limits and coverage, as well as the premium to be paid by the policyholder. Annually, VWB provides a detailed questionnaire on the characteristics of insured sites, operations conducted and on waste treatment. Reports and tests on the integrity of underground tanks are also provided, with additional coverage hired by the manufacturer to address potential damage caused by such tanks. In addition, VWB takes out coverage for environmental damage during the transport of its goods. The automaker's Environmental and Energy Management technical areas provide the necessary information for the renewal process.

FN-CF-270a.5 - Consumer financing | Sales practices

In 2023, the total amount of monetary losses resulting from legal proceedings associated with product sales and services was BRL 31,268,755.39. The Civil area paid BRL 31,268,755.39 for sentences handed down in legal actions, including all companies in the VWFS group, regardless of the subject of the action.

FN-IN-000 - Insurance - Measuring activity

In 2023, the number of policies in force for primary lines was 72, while for life, 25. VWFS Brasil does not have any reinsurance assumed by the Volkswagen Group. For certain policies, such as Transport Insurance of VWB, VWTB, and Audi, the insurer looks for companies to reinsure a portion of the risk. Our headquarters in Germany also assumes part of this risk through the Volkswagen Group Global Transport Program. However, all risk transfer negotiations are conducted between the insurer and the reinsurers.

FN-IN-270a.4 - Insurance | Transparent information & fair advice for customers

At VWFS Brasil, most insurance is offered by dealerships to customers during vehicle negotiations. Store salespeople undergo training provided by insurance companies to effectively engage with customers. After customer acceptance, insurance is included in financing or sold separately. All insurance is contracted

with the client's acceptance and documented with the signing of the insurer's proposal. Product conditions are available on the VWFS website (VWFS.com.br/seguros). After the hiring, the insurance company e-mails the insurance information to the customer.

FN-IN-410b.2 - Insurance | Policies designed to encourage responsible behavior

Every launch or relevant modification of products and services is submitted to the Product Transparency Process (PTP). Significant changes to the business model or relevant corporate reorganizations are subject to assessment for their potential negative social, environmental and climate impact. This assessment is conducted by the Operational Risk, Sustainability, and Legal areas using the RO_Produtos form, which identifies possible socio-environmental impacts, recommends action plans to mitigate them, and monitors their implementation pursuant to Mp_3624 - Manage operational risk. In

addition, the Compliance department evaluates all products with regard to the risk of money laundering in accordance with Política_1605.

FN-IN-550a.3 - Insurance | Management of systemic risk

For managing capital and liquidity risks related to systemic non-insurance activities, we have partnered with brokerage Aon to co-broker the industrial insurance portfolio. Aon performs financial assessments (market security) of insurers to participate in the quotation and renewal processes. For managing credit risk related to the group's brands, we have export credit policies and internal credit policies for the sale of trucks and buses. The insurer performs risk analyses on buyers and sets approval limits for each commercial partner. In case of default, the insurance company can settle outstanding installments with VWCO and proceed with collecting the amounts from defaulting partners.



SASB Content Summary

SASB	Topic	Content	Code	Page
SASB Consumer Finance	Customer Privacy	FN-CF-220a.1 Number of account holders whose information is used for secondary purposes.	FN-CF-220a.1	135
SASB Consumer Finance	Customer Privacy	FN-CF-220a.2 Total amount of monetary losses as a result of lawsuits related to customer privacy.	FN-CF-220a.2	90; 135
SASB Consumer Finance	Data security	FN-CF-230a.3 Description of approach to identifying and addressing data security risks.	FN-CF-230a.3	90
SASB Consumer Finance	Sales practice	FN-CF-270a.1 Percent of total compensation of employees covered, which is variable and tied to the quantity of products and services sold.	FN-CF-270a.1	135
SASB Consumer Finance	Sales practice	FN-CF-270a.4 (1) Number of customer complaints filed, (2) percentage with monetary or non-monetary relief.	FN-CF-270a.4	135
SASB Consumer Finance	Sales practice	FN-CF-270a.5 Total amount of monetary losses as a result of lawsuits related to product sale and maintenance.	FN-CF-270a.5	135
SASB Insurance	Transparent Information and Fair Advice for Customers	FN-IN-270a.3 Customer retention rate. Under construction. Scheduled for the second half of 2024.	FN-IN-270a.3	-

SASB	Topic	Content	Code	Page
SASB Insurance	Transparent Information and Fair Advice for Customers	FN-IN-270a.4 Description of approach to informing customers about products	FN-IN-270a.4	136
SASB Insurance	Incorporation of Environmental, Social and Governance Factors in Investment Management.	FN-IN-410a.2 Description of approach to incorporation of environmental, social, and governance (ESG) actors in investment management processes and strategies.	FN-IN-410a.2	98
SASB Insurance	Policies designed to encourage responsible behavior	FN-IN-410b.2 Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	FN-IN-410b.2	136
SASB Insurance	Exposure to Physical Risk	FN-IN-450a.3 Description of approach to incorporation of environmental risks (1) the underwriting process for individual contracts and (2) in the management of entity-level risks of capital adequacy.	FN-IN-450a.3	135
SASB Insurance	Systemic Risk Management	FN-IN-550a.3 Description of approach to managing capital and liquidity-related risks associated with non-insurance systemic activities.	FN-IN-550a.3	136
SASB Insurance Metric activity	Metric activity	FN-IN-000. A Number of policies in force, by segment: (1) asset and accidents, (2) life, (3) assumed reinsurance.	FN-IN-000.A	136

TCFD

4.a) - Metrics and Goals

VWFS Brasil has the goals of reducing GHG emissions by half by 2025 and of achieving carbon neutrality in facilities by 2030. In 2023, the company reached its goal of migrating 100 percent of its energy matrix to renewable sources by 2025. The executives' variable remuneration consists of a 50 percent evaluation of environmental issues and a 50 percent evaluation of Diversity & Inclusion. The methodologies used are the GHG Protocol, PCAF and SBTi. Many of the specific metrics for banks, insurers, asset owners and asset managers are being analyzed internally.

4.b) - Metrics and Goals

The metrics and goals at VWFS Brasil are based on GHG emissions and related risks, with Scope 1 and 2 emissions already calculated. Metrics, goals and risks at VWFS Brasil are based on Scope 1, 2 and 3 GHG emissions. We use the GHG Protocol and PCAF methodologies to undertake the calculation, especially for Scope 3. We calculate GHG emissions from financial mediation activities in accordance with PCAF standards, whose emissions data are described in GRI indicator 305-3. The disclosure of emissions for insurance companies and asset owners does not apply, as these are in scope 3 of financed emissions. VWFS Brasil is not an asset manager.

4.C) - Metrics and Goals

The main climate-related goals for VWFS Brasil in 2023 are to reduce GHG scope 1 and 2 emissions by 50 percent by 2025 and to be carbon neutral by 2030, starting from the base year of 2022, with the use of calculation methodologies based on the GHG Protocol, SBTi and PCAF.



TCFD Recommendations

TCFD Recommendations	Code	Location Topic	Page
Governance a) Description of board oversight of climate-related risks and opportunities	1a	Climate Governance	31
Governance b) Description of management's role in assessing and managing climate-related risks and opportunities	1b	Climate Governance	31
Strategy a) Description of climate-related risks and opportunities identified by the organization in the short, medium, and long term	2a	Climate Strategy	100; 101
Strategy b) Description of the impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning	2b	Climate Strategy	100; 101
Strategy b) Supplementary Guidance for Asset Owners	2b	Climate Strategy	100; 101
Strategy b) Supplementary Guidance for Asset Managers	2b	Climate Strategy	100; 101
Strategy C) Description of the resilience of the organization's strategy, considering different climate-related scenarios, including a scenario of 2°C or less (Guidance for all sectors)	2c	Climate Strategy	101
Risk Management a) Description of organization processes used to identify and assess climate-related risks	3a	Climate Strategy	100; 101; 102
Risk Management a) Supplementary Guidance for Banks	3a	Climate Strategy	100; 101; 102
Risk Management a) Supplementary Guidance for Asset Owners	3a	Climate Strategy	100; 101; 102

TCFD Recommendations	Code	Location Topic	Page
Risk Management a) Supplementary Guidance for Asset Managers	3a	Climate Strategy	100; 101; 102
Risk Management b) Description of organizational processes used to manage climate-related risks	3b	Climate Strategy	101; 102
Risk Management b) Supplementary Guidance for Asset Owners	3b	Climate Strategy	101; 102
Risk Management b) Supplementary Guidance for Asset Managers	3b	Climate Strategy	101; 102
Risk Management c) Describe how the processes used to identify, assess and manage climate-related risks are integrated into the organization's overall risk management	3c	Climate Strategy	101
Metrics and Goals a) Report the metrics the organization used to assess climate-related risks and opportunities in accordance with the risk management strategy and process	4a	Climate Strategy	139
Metrics and Goals a) Supplementary Guidance for Banks	4a	TCFD	139
Metrics and Goals a) Supplementary Guidance for Asset Owners	4a	TCFD	139
Metrics and Goals a) Supplementary Guidance for Asset Managers	4a	TCFD	139
Metrics and Goals b) Report Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the risks related to them	4b	TCFD	139
Metrics and Goals b) Supplementary Guidance for Banks	4b	TCFD	139
Metrics and Goals b) Supplementary Guidance for Asset Owners	4b	TCFD	139
Metrics and Goals b) Supplementary Guidance for Asset Managers	4b	TCFD	139
Metrics and Goals c) Description of the goals used by the organization to manage climate-related risks and opportunities, and performance in relation to the goals	4c	TCFD	139

Financial Statements

Balance Sheet - ASSET

Asset	2023	2022	2021
Current Assets			
Cash and cash equivalents	2,322,133	2,484,000	1,527,064
Derivative financial instruments	128,367	135,463	41,859
Fair value valuation of financial assets	908	-	133,428
Credit and commercial leasing operations	17,813,315	16,056,686	12,213,409
Tax assets			
Income tax and social contribution - current	626,626	490,333	295,639
Other taxes to be recovered	222,318	183,403	46,348
Other assets	412,509	148,725	232,304
Other amounts and goods	23,404	13,816	9,557
	21,549,580	19,512,426	14,499,608
Noncurrent			

Asset	2023	2022	2021
Derivative financial instruments	28,578	209,051	130,630
Credit and commercial leasing operations	18,266,832	14,625,169	10,564,983
Tax assets			
Income tax and social contribution - deferred	1,514,925	1,236,695	1,488,363
Other assets	1,443,249	1,558,565	1,327,083
Other amounts and goods	51,253	23,639	5,215
Fixed assets	6,582	8,373	8,512
Intangible assets	37,647	34,289	28,502
	21,349,066	17,695,781	13,553,288
Total assets	42,898,646	37,208,207	28,052,896

Balance Sheet - LIABILITIES and NET EQUITY

Liabilities	2023	2022	2021
Current			
Deposits	14,239,959	13,737,369	9,373,965
Loan and transfer obligations	872,617	1,121,825	1,043,665
Financial securities	3,951,787	2,021,066	2,234,439
Derivative financial instruments	22478	699	3,970
Taxes payable	30,727	23,881	64,045
Income tax and social contribution payable	335,071	70,428	294,444
Other liabilities	537,641	419,112	386,460
Subordinate debt	301,184	424,555	204,070
	20,291,464	17,818,935	13,605,058
Noncurrent			
Deposits	6,739,418	5,644,596	3,143,190
Loan and transfer obligations	1,240,556	694,482	1,098,214
Financial securities	7,384,742	6,563,841	3,724,495
Taxes payable	854	1,583	1,464
Income tax and social contribution deferred	117,127	48,886	125,992
Derivative financial instruments	144,700	1,181	20,395

Liabilities	2023	2022	2021
Other liabilities	70,454	79,133	353,079
Subordinate debt	1,367,241	1,526,849	1,783,940
Provisions for contingent liabilities and tax obligations	1,443,911	1,454,909	1,266,576
	18,509,003	16,015,460	11,517,345
Total liabilities	38,800,467	33,834,395	25,122,403
Net equity	2023	2022	2021
Equity and reserves attributable to bank shareholders			
Capital	2,576,633	1,843,883	1,598,883
Profit reserve	1,671,875	1,385,427	1,147,757
Adjustments in equity evaluation	-235,659	21,192	24,028
	4,012,849	3,250,502	2,770,668
Non-controlling interests	85,330	123,310	159,825
Total net equity	4,098,179	3,373,812	2,930,493
Total liabilities and net equity	42,898,646	37,208,207	28,052,896

STATEMENT OF INCOME FOR THE PERIOD

	2023	2022	2021
Revenue from interest and others	5,467,741	4,053,380	2,735,774
Interest expenses and similar charges	-4,026,295	-2,883,770	-1,169,963
Revenues net of interest	1,441,446	1,169,610	1,565,811
Revenue from services rendered	199,739	160,032	182,090
Revenue from commissions on insurance sales	252,834	179,823	169,255
Provision for reduction in amount recoverable from credit and commercial leasing operations	-304,621	-356,233	-530,352
General and administrative expenses	-639,850	-560,693	-491,519
Other operating income	462,187	582,431	368,255
Other operating expenses	-690,025	-663,166	-647,663
Profit before income tax and social contribution	721,710	511,804	615,877
Income tax and social contribution - current	-381,129	-29,512	-341,141
Income tax and social contribution - deferred	12,887	-181,137	24,667

	2023	2022	2021
Net profit at year-end	353,468	301,155	299,403
Attributable to:			
Bank Shareholders	286,448	237,670	260,609
Non-controlling interests	67,020	63,485	38,794
Basic net profit and net profit per share attributable to bank shareholders (expressed in BRL per share)	0.92	0.76	0.83
Net profit at year-end	353,468	301,155	299,403
Other components of comprehensive result			
Items to be reclassified later for the cash flow hedge result	-256,851	-2,836	34,316
Total comprehensive income	96,617	298,319	333,719
Attributable to:			
Bank Shareholders	29,597	234,834	294,925
Non-controlling interests	67,020	63,485	38,794

CASH FLOW STATEMENT

	2023	2022	2021
Cash flows from operating activities			
Net profit at year-end	353,468	301,155	299,403
Adjustments to net profit:			
Provision for reduction in amount recoverable from credit and leasing operations	304,621	356,233	530,352
Proceeds from overseas loan obligations	324,634	17,108	-
Proceeds from derivative financial instrument obligations	-256,097	-224,214	-9,714
Revenue from updated interest of loan agreement	-	-9,361	-9,211
Proceeds from pool purchases – groups finalized	-2,593	-5,964	-6,074
Depreciation, amortization and loss from reduction in recoverable amount	6,785	6,219	4,494
Loss from disposal of fixed/ intangible	37,374	26,598	4,907

	2023	2022	2021
Provision for contingent liabilities and tax obligations	128,232	236,217	88,202
Interest on subordinate debt	156,636	178,186	181,912
Income tax and social contribution deferred	-12,887	181,137	-24,667
Cash flows from operating activities before changes in operating assets and liabilities (i)	1,040,173	1,063,314	1,059,604
Reduction (increase) in financial assets available for sale and derivative financial instruments	351,206	160,698	-131,978
Reduction (increase) in credit and commercial leasing operations	-5,702,913	-8,259,696	-4,957,859
Reduction (increase) in other assets and other amounts and goods	-38,901	-352,264	173,816
Increase (reduction) in deposits	1,597,413	6,864,810	4,104,783
Increase (reduction) in loan and transfer obligations	-27,768	-342,680	505,931

	2023	2022	2021
Increase (reduction) in financial security funds	2,751,622	2,625,973	170,227
Increase (reduction) in taxes payable	-32,800	-177,100	48,247
Increase (reduction) in other liabilities	109,849	-241,294	60,862
Increase (reduction) in provisions for contingent liabilities	-139,230	-47,884	-73,282
Payment of income tax and social contribution	-212,927	-228,283	-412,534
Net cash from operating activities	-304,276	1,065,192	547,817
Cash flows from investment activities			
Fixed / intangible acquisitions	-8,469	-12,153	-8,958
Disposal of fixed/intangible	-37,257	-26,311	-1,935
Cash flows from investment activities	-45,726	-38,464	-10,893
Cash flows from financing activities			
Increase (reduction) in subordinate debt obligations	-439,615	-214,792	-185,903
Capital increase	732,750	245,000	-

	2023	2022	2021
Dividends paid	-105,000	-100,000	-546,669
Net cash from financing activities	188,135	-69,792	-732,572
Net increase (reduction) in cash and cash equivalents	-161,867	956,936	-195,648
Cash and cash equivalents at beginning of period	2,484,000	1,527,064	1,722,712
Cash and cash equivalents at end of period	2,322,133	2,484,000	1,527,064
Net increase (reduction) in cash and cash equivalents	-161,867	956,936	-195,648
Supplementary information on cash flow			
Interest received	5,375,454	3,982,654	1,722,712
Interest paid	2,756,424	593,733	586,875

NET WORTH CHANGE STATEMENT

	Capital	Tax incentive subsidy	Distribution of additional dividends	Legal reserve	Special profit reserve	Profit reserve Adjustment to asset valuation	Accumulated profits	Total	Non- controlling interests	Total net equity
On January 1 2021	1,307,883	18,515	291,000	227,650	1,051,983	-10,288	-	2,886,743	175,061	3,061,804
Adjustments in equity evaluation	-	-	-	-	-	34,316	-	34,316	-	34,316
Capital Increase	291,000	-	-	-	-291,000	-	-	-	-20,030	-20,030
Net profit at year-end	-	-	-	-	-	-	260,609	260,609	38,794	299,403
Allocation of the income										
Transfer between reserves	-	-	-	16,128	244,481	-	-260,609	-	-	-
Dividends paid (BRL 0.93/share) EGM 03/22/21	-	-	-291,000	-	-	-	-	-291,000	-	-291,000
Dividends paid (BRL 0.38/share) EGM 03/31/21	-	-	-	-	-120,000	-	-	-120,000	-	-120,000
Dividends paid	-	-	-	-	-	-	-	-	-34,000	-34,000

	Capital	Tax incentive subsidy	Distribution of additional dividends	Legal reserve	Special profit reserve	Adjustment to asset valuation	Accumulated profits	Total	Non-controlling interests	Total net equity
On December 31, 2021	1,598,883	18,515	-	243,778	885,464	24,028	-	2,770,668	159,825	2,930,493
Adjustments in equity evaluation	-	-	-	-	-	-2,836	-	-2,836	-	-2,836
Capital Increase	245,000	-	-	-	-	-	-	245,000	-	245,000
Net profit at year-end	-	-	-	-	-	-	237,670	237,670	63,485	301,155
Transfer between reserves	-	-	-	9,564	228,106	-	-237,670	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-100,000	-100,000
On December 31, 2022	1,843,883	18,515	-	253,342	1,113,570	21,192	-	3,250,502	123,310	3,373,812
Adjustments in equity evaluation	-	-	-	-	-	-256,851	-	-256,851	-	-256,851
Capital Increase	732,750	-	-	-	-	-	-	732,750	-	732,750
Net profit at year-end	-	-	-	-	-	-	286,448	286,448	67,020	353,468
Transfer between reserves	-	-	-	6,074	280,374	-	-286,448	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-105,000	-105,000
On December 31, 2023	2,576,633	18,515	-	259,416	1,393,944	-235,659	-	4,012,849	85,330	4,098,179

Audit letter

INDEPENDENT ASSURANCE CLAIM – BUREAU VERITAS



INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) was contracted by Volkswagen Participações LTDA, to conduct an independent assurance of the Volkswagen Financial Services's Sustainability Report in Brazil (hereinafter referred to as the Report).

The information published in the report is the sole responsibility of the management of Volkswagen Financial Services. Our responsibility is defined according to the scope below.

SCOPE OF WORK

The scope of this verification covered the standards and Principles¹ of the Global Reporting Initiative for Sustainability Reports and refers to the rendering of accounts for the period from March, 1st, 2023 to February 29st, 2024.

RESPONSIBILITIES OF LM TRANSPORTES INTERESTADUAIS SERV. E COM. S.A AND BUREAU VERITAS

The preparation, presentation and content of the Report are the sole responsibility of the management of Volkswagen Financial Services. Bureau Veritas is responsible for providing an independent opinion to Stakeholders in accordance with the scope of work defined in this claim.

METHODOLOGY

The assurance included the following activities:

1. Interviews with those responsible for the material topics and content of the Report;
2. Remote verification of corporate and operational processes (verification of material GRI indicators and information sampling), Sustainability Accounting Standards Board (SASB) metrics, Task Force on Climate-related Financial Disclosures (TCFD) recommendations;
3. Analysis of documentary evidence provided by Volkswagen Financial Services for the period covered by the 2023/2024 Report;
4. Analysis of stakeholder engagement activities developed by Volkswagen Financial Services;
5. Evaluation of the system used to determine the material aspects included in the Report, considering the context of sustainability and scope of the published information.

The verification level adopted was Limited, in accordance with the requirements of the ISAE 3000² Standard, incorporated into Bureau Veritas' internal verification protocols.

¹ Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability.

² International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information.



LIMITATIONS AND EXCLUSIONS

It was excluded any evaluation of information related to:

- Activities outside the reported period;
- Position claims (expressions of opinion, belief, objectives or future intentions) by Volkswagen Financial Services;
- Accuracy of economic and financial data contained in this Report, extracted from financial statements, verified by independent auditors;
- Data and information from affiliated companies or outsourced employees, over which there is no operational control by Volkswagen Financial Services.

The following limitations have been applied to this check:

- The principles of Accuracy and Reliability of data were verified on a sample basis, exclusively in the light of the information and data related to the material topics presented in the Report;
- The economic information presented in the Report was specifically verified against the GRI Balance and Completeness principles.

OPINION ON THE REPORT AND THE ASSURANCE PROCESS

- The materiality used to prepare this Sustainability Report of Volkswagen Financial Services used the result of the update carried out at the beginning of 2023, which was consolidated after listening to stakeholders – Leadership of LM Transportes Interestaduais Serv. and Com. S/A., individual interviews, focus groups, surveys, on-site visits, field research, analysis of internal documents, analysis of external documents, added to a diagnosis of the company's situation in relation to the topics identified as relevant. No deviations were found in the materiality definition process;
- In our understanding, the Volkswagen Financial Services's Sustainability Report presents the impacts of the company's activities in a balanced manner;
- It was possible to see the annual update of the Corporate of Greenhouse Gas Emissions (GHG) Inventory, carried out in accordance with the Verification Specifications of the Brazilian GHG Protocol Program and the ABNT NBR ISO 14064-3:2007 standard, covering scopes 1, 2 and 3, for the year 2023;
- In relation to decarbonization, evidence was presented of the electrification of transport, the development and use of biofuels, connected vehicles and mobility as a service, which form four macro-trends that are shaping the future of the automotive industry in the global transition to a low-carbon economy;
- Volkswagen Participação LTDA has demonstrated an adequate data collection and compilation method in relation to the GRI Standards, metrics from the *Sustainability Accounting Standards Board* (SASB), Task Force on Climate-related Financial Disclosures (TCFD) recommendations;
- With the documentary analysis and interviews with focal points completed, it was possible to verify the due diligence in relation to the progress in the implementation of the form of management as determined by GRI 3 and General Indicators - GRI 2;
- The inconsistencies found in the Report were adjusted during the process and have been satisfactorily corrected.



CONCLUSION

As a result of our verification process, nothing has come to our attention that could indicate that:

- The information provided in the Report is not balanced, consistent and reliable;
- Volkswagen Financial Services has not established appropriate systems for the collection, compilation and analysis of quantitative and qualitative data used in the Report;
- The Report does not adhere to the principles for defining content and quality of the GRI Standard for sustainability reporting.

CLAIM OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services company specializing in Quality, Health, Safety, Social and Environmental management with over 190 years of experience in independent evaluation services.

Bureau Veritas has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their day-to-day activities. We are particularly attentive to prevention with regard to conflict of interest.

The verification team does not have any other link with VOLKSWAGEN PARTICIPAÇÕES LTDA, other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and this verification is performed by our team.

The team that conducted this verification for VOLKSWAGEN PARTICIPAÇÕES LTDA has extensive knowledge in verifying information and systems involving environmental, social, health, safety and ethical issues, which combined with experience in these areas, allows us a clear understanding of the presentation and verification of good corporate responsibility practices.

CONTACT

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Camila Chabar

São Paulo, 06 de junho de 2024.

Camila Pavão Chabar

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São Paulo, June 2024.