

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

Volkswagen Financial Services AG

20 November 2025¹

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Green Finance Instruments²
Relevant standards	<ul style="list-style-type: none">Green Bond Principles, as administered by the ICMA (as of June 2025)Green Loan Principles, as administered by the LMA (as of March 2025)
Scope of verification	<ul style="list-style-type: none">Volkswagen Financial Services Green Finance Framework (as of Nov. 20, 2025)³Volkswagen Financial Services Eligibility Criteria (as of Nov. 20, 2025)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification2nd Update of SPO as of August 29, 2023 (ISS-Corporate weblink)
Validity	<ul style="list-style-type: none">Valid as long as the cited Framework remains unchanged

¹ Volkswagen Financial Services AG initially published its Green Finance Framework in September 2024. A new version of the Framework has been published in November 2025, substituting the previous one. Key changes include the reference to the updated ICMA's green bond principles. No modification occurred with regard to the core elements of the Framework (use of proceeds, processes for project evaluation and selection, management of proceeds, reporting). ISS-Corporate performed its analysis for Part-1 as per the updated ICMA's Green Bond Principles (as of June 2025), in November 2025.

² ISS-Corporate analysis is limited to green bonds and green loans.

³ See footnote 1.

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SCOPE OF WORK

Volkswagen Financial Services AG (“the Issuer”, “the Company”, or “VWFS”) commissioned ISS-Corporate to assist with its Green Finance Instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Volkswagen Financial Services’ Green Finance Framework (as of November 20, 2025) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP) and Loan Market Association’s Green Loan Principles (GLP).
2. The Eligibility Criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs).
3. Consistency of Green Finance Instruments with Volkswagen Financial Services’ Sustainability Strategy – drawing on the key sustainability objectives and priorities defined by the Issuer.

VOLKSWAGEN FINANCIAL SERVICES OVERVIEW

Volkswagen Financial Services engages in the provision of automotive financial services. It operates through the following segments: Banking, Leasing, Insurance and Service, Mobility, and Payment. The Banking segment comprises retail financing, wholesale financing, as well as factoring and deposits. The Leasing segment offers finance lease and operating lease. The Insurance and Service segment includes motor and telematics, warranty, commercial lines, full and limited maintenance, tires, as well as service and inspection. The Mobility segment focuses on fleet, rental, parking, as well as charge and fuel. The Payment segment specializes in in-car payment, mobile payment, and wallet. The company was founded in 1994 and is headquartered in Braunschweig, Germany.



ESG risks associated with the Issuer Industry

Volkswagen Financial Services is classified in the Specialized Finance industry, as per ISS Sustainability's sector classification. Key sustainability issues faced by companies⁴ in this industry are: Sustainability impacts of lending and other financial services/ products, Customer and product responsibility, Labour standards and working conditions, Products and services with social and environmental benefits.

This report focuses on the sustainability credentials of the issuance. Part III. of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

⁴ Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry. Key ESG issues by industry are sourced from ISS ESG's Corporate Rating methodology.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ⁵
<p>Part I:</p> <p>Alignment with GBP/GLP</p>	<p>The Issuer has defined a formal concept for its Green Finance Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP and GLP.</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the Eligibility Criteria</p>	<p>The Green Finance Instruments will (re)finance eligible service-related category which includes: Clean Transportation.</p> <p>Service-related use of proceeds category individually contribute to one or more of the following SDGs:</p> <div style="text-align: center;">   </div> <p>The environmental and social risks associated with the use of proceeds category are managed.</p>	<p>Positive</p>
<p>Part III:</p> <p>Consistency of Green Finance Instruments with Volkswagen Financial Services' Sustainability Strategy</p>	<p>The key sustainability objectives and the rationale for issuing Green Finance Instruments are clearly described by the Issuer. The project category considered is in line with the sustainability objectives of the Issuer.</p>	<p>Consistent with Issuer's sustainability strategy</p>

⁵ The evaluation is based on the Volkswagen Financial Services' Green Finance Framework (November 20, 2025 version), on the analysed Eligibility Criteria as received on November 20, 2025.

SPO ASSESSMENT

PART I: ALIGNMENT WITH GBP AND GLP

This section evaluates the alignment of the Volkswagen Financial Services' Green Finance Framework (as of November 20, 2025) with the GBP and GLP.

GBP AND GLP	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓</p>	<p>The Use of Proceeds description provided by VWFS Green Finance Framework is aligned with the GBP and GLP.</p> <p>The Issuer's green category aligns with the project categories as proposed by the GBP and GLP. Criteria are defined in a clear and transparent manner. Disclosure of distribution of proceeds by the project category is provided and environmental benefits are described.</p> <p>Furthermore, the Issuer defines a look-back period of 2 years, in line with best market practice.</p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by VWFS Green Finance Framework is aligned with the GBP and GLP.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>The Issuer defines exclusion criteria for harmful projects categories. Also, the Issuer clearly defines responsibilities in the process for project evaluation and selection and is transparent about it and involves various stakeholders in this process, in line with best market practice.</p>

<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by VWFS Green Finance Framework is aligned with the GBP and GLP.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects. The net proceeds are tracked in an appropriate manner and attested in a formal internal process. The net proceeds are managed per bond (bond-by-bond approach). Moreover, the Issuer has a system in place to ensure the amount of eligible assets of the portfolio pool is larger than the amount issued. In case of loans with more than one tranche, VWFS confirms that each loan tranche will be clearly labeled as green.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by VWFS Green Finance Framework is aligned with the GBP and GLP.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the Issuer’s website. Volkswagen Financial Services has disclosed the type of information that will be reported and explains that the level of expected reporting will be at project category level using a bond-by-bond approach. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated.</p> <p>The Issuer is transparent on the information reported and further defines the duration and frequency of the impact reporting, in line with best market practice.</p>

PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE UN SDGs⁶⁷



Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain.

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS Sustainability's SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a 3-point scale:



Each of the Green Finance Instruments' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Clean Transportation</p> <p><i>Eligible financings related to any vehicle with zero-tailpipe emissions, including acquisitions of vehicles for the purpose of leasing business or loans to customers</i></p>	<p>Contribution</p>	 

⁶ The assessment remains unchanged and is based on the analysis that was delivered on September 17, 2024 following an engagement period from July to September 2024.

⁷ The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ELIGIBILITY CRITERIA⁸

The table below evaluates the Eligibility Criteria against issuance-specific KPIs. The entirety of the assets are not limited to any specific geographical regions.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

VWFS' Code of Conduct states that employees should commit to ensure the underlying vehicle subject to financing /leasing don't pose any risks, detrimental effects and hazards to the health, safety, and environment to the customers or any third party. In addition, VWFS' Code of conduct states that employees should prevent money laundering and terrorism financing through checking the identity of customers, business partners and third parties that VWFS might potentially deal with. In addition, there are internal documents outlining ESG questions to be considered during the credit processes specified to the renting and leasing of motor vehicles.

Data protection and information security



VWFS has implemented ISO 27001, Information Security Management System to safeguard personal data and information security. The implementation has been certified by an external audit. In addition, VWFS' Code of Conduct commits to protect the personal data of customers and suppliers, and will collect, gather, process, use and store personal data in accordance with legal provisions in the company's Code of Conduct. VWFS' Code of Conduct also requires employees to oblige Information Technology security regulations and electronic data processing security.

Responsible treatment of customers with debt repayment problems



VWFS applies the Responsible Lending for Consumers Code to analyze the credit worthiness of the lessee prior the start of contract and will also conduct credit check in regular intervals during the contract to identify credit worthiness risks. If credit worthiness risks are identified, VWFS will work with the Borrower to discuss appropriate support program. Support programs include debt management programs such as payment moratorium for leasing installments. VWFS also has ombudsperson's contact for the consumer to settle dispute displayed in public website.

Sales Practices

⁸ The assessment remains unchanged and is based on the analysis that was delivered on September 17, 2024 following an engagement period from July to September 2024.

- ✓ Within the sales training program, there are modules in place for product matching based on customer’s situation and personal preference. VWFS has a reward system based on a cooperation model between the dealership and VWFS to limit sales targets, it also has a system in evaluating and recording customer complaints and has collected product and services satisfaction feedback from client surveys.

Inclusion

- ✓ VWFS applies the Responsible Lending to Consumer Code in ensuring that credit is provided without discriminations based on race, gender, religious groups, and sexual orientations.

Responsible marketing

- ✓ VWFS applies the Responsible Lending to Consumer Code to ensure marketing material are presented in an accurate, understanding, and not misleading manner. In addition, the Code also states that consumers will be provided key information on the loan including but not limited to effective annual interest, all costs of the loan, and repayment amount. Lastly, VWFS doesn’t systematically provide an explanation of the loan rejection in how and why the consumer did not meet the loan requirement, while doing so upon request.

Exclusion criteria

As VWFS focuses in providing leasing and financing services for vehicles, there are no policies in not financing weapons, military equipment or infrastructure, ethically or morally controversial projects. Regarding due diligence process, VWFS has due diligence process in place to identify and address illegal business practices of a potential Borrower. The scope include business with violations against sanction or embargo lists, violations against money laundering regulations, bribery and corruption, violations against competition and antitrust law, and organized crime.

PART III: CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH VOLKSWAGEN FINANCIAL SERVICES' SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Strategic ESG topics	The Issuer aims to facilitate the number of battery electric vehicle (BEV) deliveries by its parent company, Volkswagen Group, to more than 50% of total deliveries worldwide, and over 70% in Europe by 2030.
ESG goals/targets	<p>To facilitate the increased amount of BEV deliveries by the parent company, the Issuer aims to improve the % of BEV leasing or financing contracts to 80% of the European portfolio by 2030.</p> <p>Internally, the Issuer aims to reduce 50% of CO₂ emissions within the operational and Information technology department, and achieve CO₂ net neutrality by 2030.</p> <p>The Issuer is using a carbon tracking tool to collect CO₂ emissions from operations in different geographical regions for planning and setting respective KPIs, which are discussed yearly between the board and management team.</p>
Action plan	<p>To achieve carbon net neutrality by 2030 in VWFS' operation, VWFS' headquarters only uses certified electricity from renewable sources. In the future, heating power will be procured from renewable district heating generated by the local utility company to facilitate the carbon net neutrality goal by 2030.</p> <p>Currently, The Issuer is not disclosing any public financial budget to achieve the specific ESG goals.</p>
Climate Transition Strategy	The Issuer states that a ESG risk plan according to EBA Guideline will be created by the end of 2025.

Top three areas of breaches of international norms and ESG controversies in the industry⁹	Failure to respect the right to safe and healthy working conditions, Strike action, Layoffs, Failure to prevent money laundering.
Breaches of international norms and ESG controversies by the Issuer	At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.
Sustainability Reporting	VWFS reports on its ESG performance and initiatives within Volkswagen Group’s Sustainability Report. The report is prepared according to Task Force on Climate-Related Financial Disclosures (TCFD), Global Reporting Initiative (GRI), UN Global Compact, Sustainability Accounting Standards Board (SASB), and Carbon Disclosure Project (CDP) reporting guidelines.
Industry associations, Collective commitments	VWFS is a signatory to the Responsible Lending for Consumers code, administrated by Bankenfachverband since 2010, setting guidelines and best practices on how to achieve responsible lending.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	VWFS has published Green Finance Framework in August, 2023. ¹⁰ VWFS has issued approximately fifteen billion Euros of Green Bonds through 28 transactions from September 2023 to October 2025, with maturity dates ranging between 2025 and 2031.

Rationale for issuance

The Green Finance Framework will help VWFS in achieving the goal of financing sustainable transportation by enabling the ownership of battery electric vehicles, a goal that is part of the 2030 sustainability strategy plan.

Opinion: *The key sustainability objectives and the rationale for issuing Green Financing Instruments are clearly described by the Issuer. The project category financed is in line with the sustainability objectives of the Issuer.*

⁹ Based on a review of controversies identified by ISS ESG over a 2-year period, the top three issues that have been reported against companies within the Specialized Finance industry are displayed above. Please note that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

¹⁰ Volkswagen Financial Services AG, Green Finance Framework, August 2023, https://www.vwfs.com/content/dam/bluelabel/valid/www-vwfs-com/investor-relations/vwfs-ag/green-finance-framework/VWFSAG_GFF_2023.pdf

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
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ANNEX 1: QUALITY MANAGEMENT PROCESSES

SCOPE

Volkswagen Financial Services commissioned ISS-Corporate to compile a Green Finance Instruments SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles and Green Loan Principles and to assess the sustainability credentials of its Green Finance Instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2025)
- Green Loan Principles, as administered by the LMA (as of March 2025)
- Key Performance Indicators relevant for Use of Proceeds categories selected by the Issuer

ISSUER'S RESPONSIBILITY

Volkswagen Financial Services' responsibility was to provide information and documentation on:

- Green Finance Framework
- Selection criteria
- Documentation of ESG risks management at the project category level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is a part of, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Green Finance Instruments to be issued by Volkswagen Financial Services has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles and Green Loan Principles.

Engagement date for Part IIA, Part IIB and Part III: July 2024 to September 2024

Engagement date for Part I: November 2025

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

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