

CORPORATE
RESPONSIBILITY
REPORT

2022

vroom®

corporate responsibility report

driving our **e**nvironmental, **s**ocial, and
governance goals forward

esg

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1.

introduction



a message from our ceo

I am pleased to share with you our inaugural Corporate Responsibility Report, which highlights our 2022 Environmental, Social and Governance (“ESG”) program and initiatives.

During 2020 and 2021, we experienced triple-digit growth while managing our business and supporting our workforce through a global pandemic, which led to operational challenges that adversely affected our customer experience. So in 2022, we put the brakes on growth, addressed our operational challenges and transformed our business.

As part of this transformation, we also advanced our ESG objectives and strengthened our culture of transparency, strong corporate governance and awareness of the impact we have on each other, our communities and our environment.

We recognize that strong environmental stewardship, social responsibility, and ethical business practices are fundamental to our ability to create value for all of our stakeholders. As we continue our business transformation in 2023 and pursue profitable growth, we remain deeply focused on positioning Vroom for long-term success in how we buy and sell cars, build our teams, govern our business, support our communities and care for our environment.

I am proud of what we accomplished in 2022 and energized by the continued progress we are making, all of which was made possible by our valued team of innovators and collaborators across Vroom and UACC, with the support of our Board of Directors, business partners and stakeholders. We hope you’ll join us for the ride.



tom shortt
CEO, VROOM



Tom Shortt
CEO, Vroom

“ we recognize that strong environmental stewardship, social responsibility, and ethical business practices are fundamental to our ability to create value for all of our stakeholders. ”

about us

corporate profile

Vroom (NASDAQ: VRM) is an innovative, end-to-end ecommerce platform designed to offer a better way to buy and a better way to sell used vehicles. Our scalable, data-driven technology brings all phases of the vehicle buying and selling process to consumers wherever they are. We offer an extensive selection of vehicles, transparent pricing, competitive financing and at-home pickup and delivery.



High Quality Vehicles

Multiple inspections.
Free vehicle history report.
Free limited warranty.



Buying Made Easy

No haggling. No hassles.
An easy and efficient car
buying process — the way
it should be.

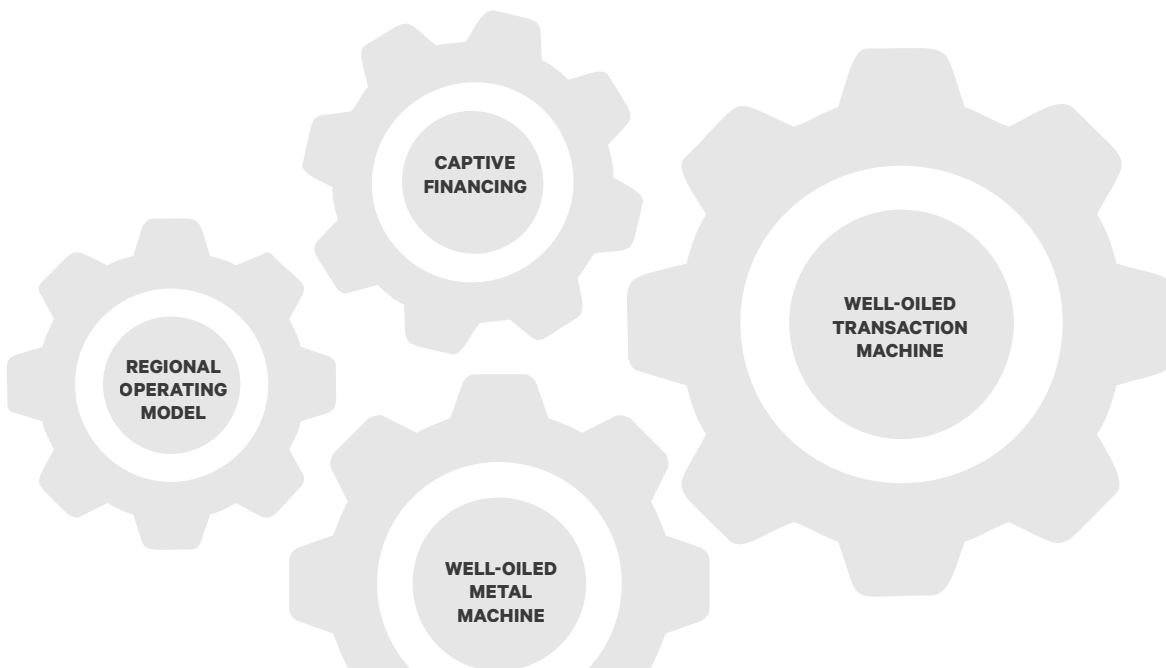


Delivered Right to You

Get your car or truck
shipped to your home
or a convenient nearby
location.

building a well-oiled machine

Focused on Unit Economics



our environmental, social & governance (esg) approach

Vroom is dedicated to clearing obstacles that may limit potential and stand in the way of progress and to creating a culture and environment in which all can thrive and pursue their next challenge. We map our success by not only taking account of how well we fulfill this mission for our customers, but also how well we help clear the path to reach the destination – a path paved with honesty, transparency and innovation in all that we do. We are proud to be a trusted partner to our customers during this important journey in vehicle ownership, whether the crossroad is buying, selling or trading in their next vehicle. Vroom is leading the revolution in the car buying experience – and we are ready when our customers need us most.

Our foundational principles served as the cornerstone for developing and implementing the core pillars of our ESG strategy. We view our environmental stewardship, social responsibility, valued team and ethical business practices as being at the heart of our long-term value creation and financial success.

Our ESG strategy emerged from the intersection of these principles and our commitment to wisely manage the key components that power the performance of our unique business model.

We are pleased to share our 2022 Corporate Responsibility Report that outlines current initiatives, practices, objectives and progress made in the areas fundamental to the sustainability of our business:



OUR ESG STRATEGY

RESPONSIBLE BUSINESS PRACTICES

We are committed to sound corporate governance and ethical practices, building long-term value and trust with stakeholders.

DRIVING SOCIAL RESPONSIBILITY

We are dedicated to building customer trust, providing vehicle assurance and delivering an exceptional customer experience.

ENVIRONMENTAL STEWARDSHIP

We are striving to be a responsible steward of resources as we build our business and integrate more eco-friendly protocols that reduce our environmental impact.

OUR EMPLOYEES

We are one team, bringing diverse backgrounds and unique skills to work together by treating every person with respect.



our environmental, social & governance (esg) approach

Governance of ESG

Our governance structure supports coordination of environmental and social efforts across all areas of our business. Our Board of Directors (Board) has given the Nominating and Corporate Governance (NCG) Committee primary responsibility for overseeing Vroom's ESG strategy and reporting. In 2021, the NCG Committee's charter was formally updated to include its responsibilities for oversight of our environmental and social strategy, policies and risks, including in the areas of climate change, environmental sustainability, diversity and inclusion, employee health and safety, responsible business practices, corporate social responsibility programs and corporate philanthropy. In 2022, the Board further updated the NCG charter to include oversight of any external reporting on environmental and social matters and the NCG Committee provides regular updates on ESG matters to the full Board.

Our management team has established an internal cross functional ESG working group, which oversees our ESG strategic program and advances our ESG priorities. The ESG working group is composed of leaders from across various departments to aid in developing and continuing to drive forward our ESG initiatives and goals.

Stakeholder Engagement

The success of our ESG strategy depends on collaboration and input from key stakeholders – our customers, employees, partners, shareholders and others. We use their valued perspectives to inform our ESG priorities and better understand the impacts of our business across multiple areas. Our stakeholder engagement includes open dialogue, collaboration and transparency. We are open to listening and learning from our stakeholders and using their insights to advance our ESG strategy, anticipate emerging trends and implement innovative solutions.

CUSTOMERS

We engage our customers through online marketing, customer service, customer satisfaction surveys, and face-to-face interactions during the vehicle pick up and drop-off. These interactions give us the opportunity to address feedback and fine-tune our business model to promote customer satisfaction.

EMPLOYEES

Our employees are crucial stakeholders. We engage our employees on topics that matter to them, such as compensation and benefits; diversity, equity and inclusion (DEI) considerations; employee well-being, learning and development; and workplace health and safety.

PARTNERS

We interface with partners and suppliers throughout our business model and focus on areas relevant to integration of ESG into our supply chain, including resource efficiency and fair labor practices.

SHAREHOLDERS

We engage with investors and welcome the opportunity to engage with them to advance our ESG initiatives and priority topics, such as Board and workplace diversity, privacy and cybersecurity and corporate governance.

about this report

This report covers our progress in 2022 related to our ESG strategy and goals. We have informed the development of our report with the SASB standards, now part of the IFRS Foundation, related to the multiline and specialty retailers and the ecommerce industry. We also have identified several United Nations Sustainable Development Goals (SDGs) that we believe we can support through our business activities and key priority areas. Both are included in the Appendix at the end of this report. Unless otherwise noted, the quantitative company data provided throughout this report covers our fiscal year 2022 (FY2022), reflecting data for the period from January 1 through December 31, 2022. We have also included certain subsequent information and initiatives that occurred after the end of FY2022, which we have endeavored to note as such. Throughout the report, we guide readers to additional sources of information on our corporate website and other website references for convenience. Please also see our disclosure regarding forward-looking statements at the end of this report.

2.

responsible business practices

Our Board and management team are committed to responsible business practices founded upon a strong ethical culture in order to create long-term sustainable value for our shareholders, employees, customers, partners and communities.

corporate governance and board composition

Vroom is committed to robust governance practices that protect and promote the long-term value of our company for our key stakeholders. We believe that the effectiveness of our governance framework is largely a function of our highly qualified, experienced and diverse Board. In fact, as of April 28, 2023, 43% of our Board identifies as members of a traditionally underrepresented race, ethnicity and/or gender. This diverse range of backgrounds also helps us take into consideration a wide range of perspectives and experiences when we build our strategic plan and set goals, lead our teams and navigate challenges.

To further demonstrate our commitment to diversity, the Board updated our Corporate Governance Guidelines in February 2022 to include identification by gender, an underrepresented minority, LGBTQ+, ethnicity and any other relevant background information among the factors that the NCG Committee may take into consideration when developing a slate of candidates for future board positions.

For more information about our Board, please refer to our latest [PROXY STATEMENT](#).



business ethics and compliance

Vroom's foundation is built upon our steadfast commitment to the highest standards of business conduct in our dealings with each other, our customers, our vendors and other business partners and our shareholders. Our reputation for integrity and excellence requires careful observance of the spirit and letter of applicable laws and regulations, as well as a scrupulous regard for the highest ethical standards and personal integrity.

Our Values-Driven Culture

Our core values are embedded in our culture, whether through employee onboarding and training, everyday operations, or customer interactions.

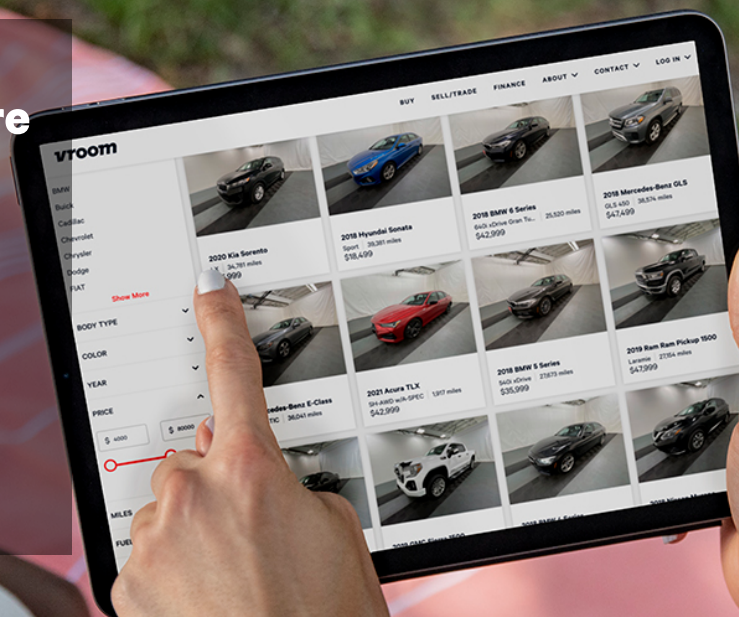
Vroom believes in and adheres to guiding principles that direct our actions in supporting customers in the execution of their vehicle transactions and summed up in our core values of **being customer d.r.i.v.e.n.**

customer

Obsessive customer service

- d** Data-driven decision making where ego plays no role
- r** Unwavering respect for all people
- i** Always operating at the highest levels of integrity
- v** Moving with velocity and innovation to test and develop new approaches
- e** Exercising empathy in all that we do
- n** Keeping a nimble approach to adapt to an ever-changing environment

Our core values are embedded in our culture through our operations, communications and everyday interactions.

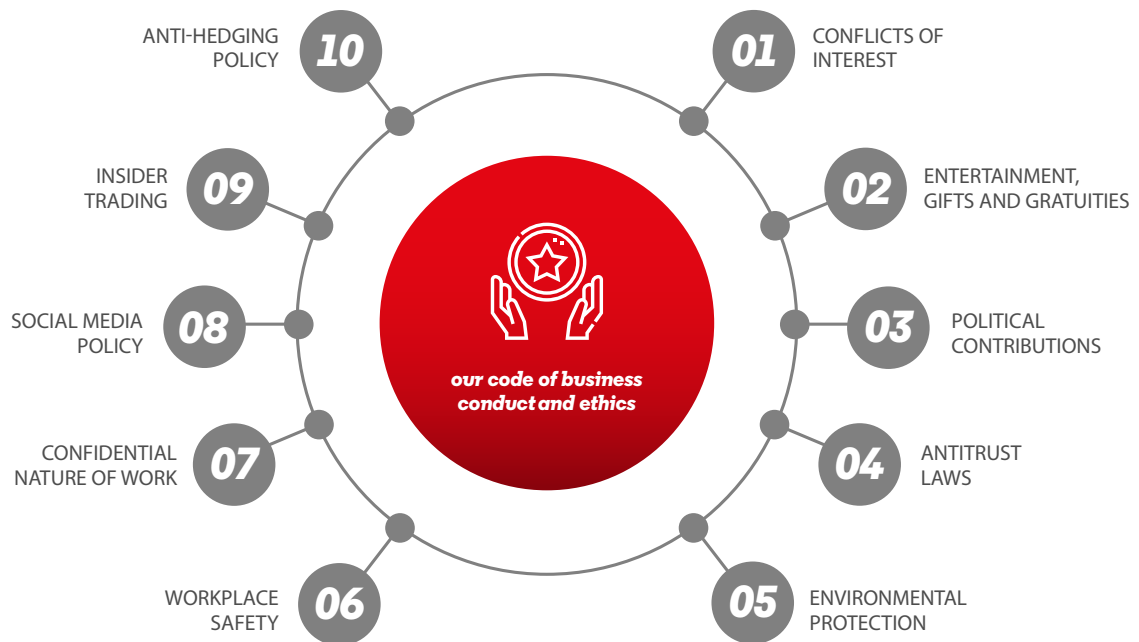


business ethics and compliance

Code of Business Conduct

The Board regularly reviews our governance practices to consider the evolving governance landscape and appropriately support and serve the best interests of Vroom and its stakeholders. Our Code of Business Conduct and Ethics (Code) reinforces our core values and helps drive our workplace culture of compliance with ethical standards, integrity and accountability, including topics such as:

To learn more about our Code, please visit the [CORPORATE GOVERNANCE](#) section of the [INVESTOR RELATIONS](#) page on our website.



business ethics and compliance

Training and Audits

Our management team regularly reviews, updates and enhances our governance practices. Upon joining Vroom and annually thereafter, full- and part-time employees are required to complete training covering various topics such as our Code, Preventing Harassment, Cybersecurity and Insider Training. We internally audit our employees' compliance training rates and escalate any necessary remediation efforts to the Chief Legal Officer (CLO) and Chief Compliance Officer (CCO). Our goal is to have 100% of our employees complete their required compliance training.

Whistleblower Policy

We take pride in creating a strong foundation of ethics in supporting our customers and operating our business. Our Board maintains a confidential, third-party hotline 24/7 for reporting any concerns, including those that possibly violate laws, regulations, policies, or standards. Vroom adheres to applicable laws protecting our employees and other protected persons from retaliation. Retaliation in any form against anyone who reports, in good faith, a suspected or known violation of the Code or of law or who assists in the investigation of a reported violation is strictly prohibited. Any act of retaliation in this regard – such as termination, demotion, disciplinary action or reducing hours – is required to be reported immediately and appropriate remedial action and/or discipline, up to and including termination, will be taken.

Governmental Advocacy and Political Contributions

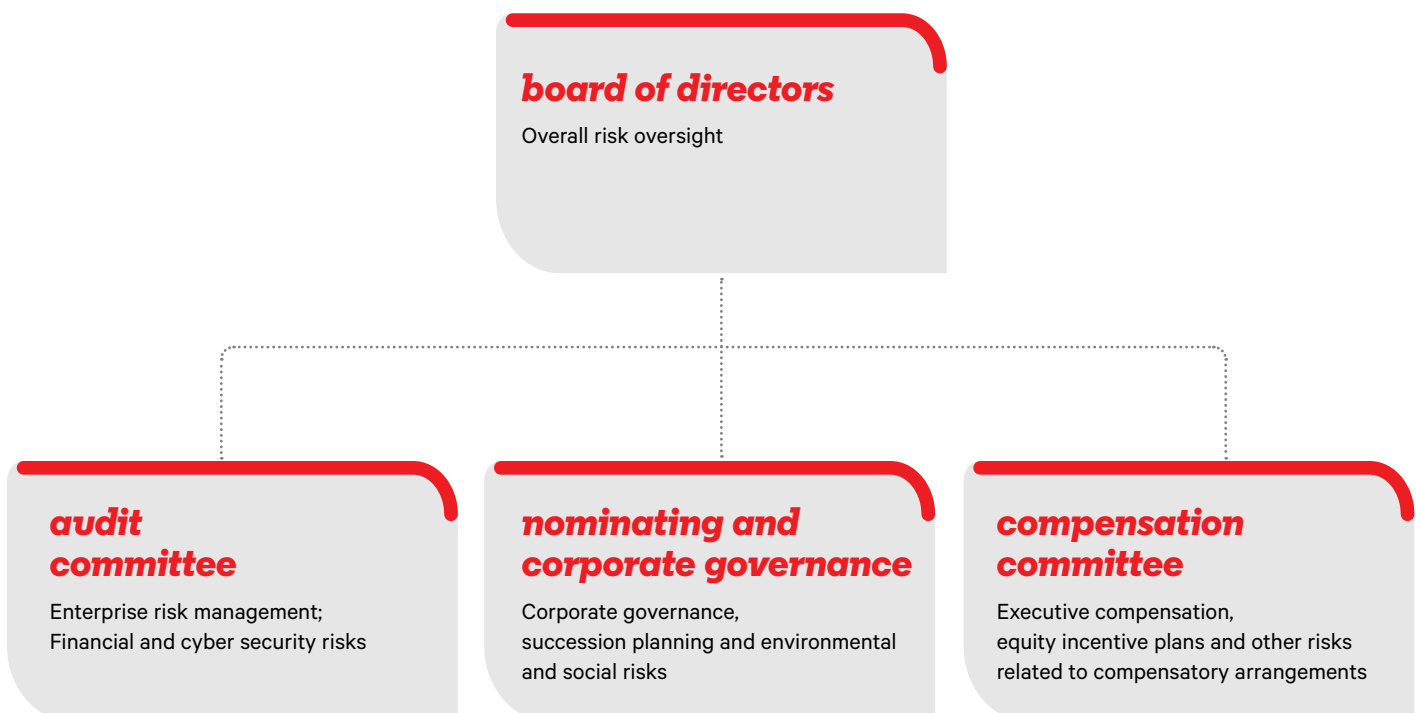
Our CLO and CCO are responsible for monitoring federal and state legislative developments pertinent to our operations and industry. Vroom retains outside lobbyists to assist with certain state legislative efforts. Vroom does not maintain a political action committee and did not make any corporate contributions to political parties or candidates in 2022.

Employees may participate in the political process as individuals on their own time. However, employees must make every effort to ensure that they do not create the impression that they speak or act on behalf of Vroom with respect to political matters. Company contributions to any political candidate or party or to any other organization that might use the contributions for a political candidate or party are prohibited. An employee may not receive any reimbursement from corporate funds for a personal political contribution.

risk management

Risk assessment and oversight are an integral part of Vroom's governance and management processes. Our management is responsible for and involved in day-to-day risk management. Members of our management team assist our Chief Executive Officer and Chief Financial Officer in the design, establishment, maintenance, review and evaluation of our disclosure controls and procedures. Additionally, management discusses strategic, operational and legal and regulatory risks at their regular meetings and reviews these risks with the Audit Committee and the Board periodically.

Our Board administers its oversight function of risk management through the Audit Committee and the Board as a whole. Our Board is also apprised of particular risk management matters in connection with its general oversight and approval of corporate matters and significant transactions. In addition, various standing committees of the Board address risks inherent in their respective areas of oversight. Our Audit Committee is responsible for overseeing enterprise risk management, including the management of financial risks and cybersecurity risks; reviewing and discussing Vroom's guidelines and policies with respect to risk assessment and risk management; and discussing with management the steps management has taken to monitor and control these exposures. Our Compensation Committee oversees risks related to Vroom's executive compensation, equity incentive plans and other compensatory arrangements. Our Nominating and Corporate Governance Committee oversees risks associated with our corporate governance framework, succession planning and environmental and social matters. We believe that our Board leadership structure supports the risk oversight function of the Board. The Board implements its risk oversight function both as a whole and through delegation to Board committees, which meet regularly and report back to the Board.

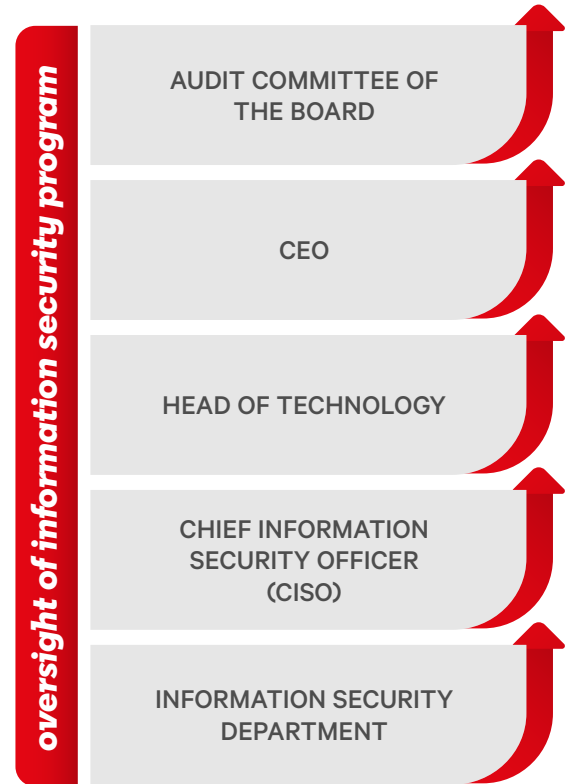


information security management

Vroom is committed to the security of our services and our customer and employee information. Our strict oversight, policies and controls help to anticipate and mitigate potential threats to our operations. We guard sensitive consumer and employee data through our continuously improving privacy and security measures.

Governance and Oversight

The Audit Committee oversees enterprise risk management, including cybersecurity risks, and regularly reviews and discusses with management our corporate guidelines and policies and steps taken to monitor and control potential exposures. Vroom's Information Security Program is led by our Chief Information Security Officer (CISO). The CISO reports to the Audit Committee on a quarterly basis on risk posture, updates on significant issues and progress on new initiatives to further strengthen cybersecurity. In addition, the CISO reports on incidents and impact areas and updates compliance status with certain requirements.



information security management

Policies, Frameworks and Standards

The Vroom cybersecurity program is based on the NIST Risk Management Framework (RMF), which provides a holistic methodology to manage information security, privacy and supply chain risks. The RMF provides a set of repeatable processes and supporting resources for implementation.

Our IT policies and security requirements are aligned with industry best practices and standards, as follows:

- International Organization for Standardization/International Electrotechnical Commission (ISO/IEC) 27001
- Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 Integrated Framework
- Service Organization Control (SOC) 2 2017
- Center for Internet Security (CIS) Controls V8

Vroom has created a comprehensive catalog of security policies and standards, including the Information Security Policy and Acceptable Use Policy, which employees are required to review on an annual basis. These policies act as a foundation for enforcing enterprise-wide objectives and convey the acceptable amount of risk. Standards provide the mandatory rules and requirements that support the overarching policies and define the minimum-security controls and the strategies to achieve confidentiality, integrity and the availability of internal and external information and information assets.

Our Information Security Policy encompasses information assets that store, process, or transmit data owned, managed, or administered by Vroom or by its third parties, specifically including:

- Vroom information and information assets
- Vroom data that Vroom or its affiliates come in contact with, use, maintain, or handle, including customer information
- Vroom and its affiliates' employees' information

Information Security Pillars

We view our responsibility to data security as a top priority for our long-term operational and business success, and our security teams work closely to protect the information of our company, customers and stakeholders. We continue to build and modernize our security department to meet the evolving needs of our business, including strengthening our security by switching to providers and platforms with the reputation for being best in class.

Our program centers around the core pillars of Consumer Security, Corporate Security and Governance, Risk and Compliance (GRC):

information security pillars



information security management

Consumer Security

Our Consumer Security Team focuses on our ecommerce platform, which encompasses our in-house applications, cloud and back-end technologies and services. Our security protocols are designed to reduce the risk of cybersecurity events and thereby prevent data loss or data privacy violations. Our Consumer Security Team also works with the Governance, Risk and Compliance (GRC) team to integrate the requirements of compliance and regulatory issues for our policies and standards for assurance in meeting program objectives. We utilize an ongoing approach of audits and reviews to ensure proper alignment with the security program objectives.

Corporate Security

Vroom emphasizes the importance of safeguarding corporate information, which in turn protects transaction functions and business operations. Our Corporate Security Team is divided into three functional areas that work together to protect against external attacks, as follows:

IDENTITY AND ACCESS MANAGEMENT

Safeguards information security and data privacy by protecting customer data through strong governance and provisioned access rights.

VULNERABILITY MANAGEMENT

Incorporates strategic protocols involving discovery, business risk assessment and remediation efforts in collaboration with Information Technology (IT) Operations.

Applies third-party assessments, tabletop exercises and enterprise scanning, along with input from external partners, vendors and external reporting platforms, to identify, classify and prioritize IT vulnerabilities.

INCIDENT DETECTION AND RESPONSE

Responds to security alerts, identifies and investigates potentially malicious activity and contains activity before it escalates.

Strengthens oversight with third-party expertise to provide best-in-class incident detection, escalation and threat remediation capabilities.

Governance, Risk and Compliance (GRC)

GRC serves as the integrated focal point for establishing strong governance and controls, laying the foundation for security policies and standards. They also oversee regulatory compliance activities and partner services and manage third-party risk.

Security Awareness and Training

Employees are required to complete security awareness training during New Hire Orientation and annually thereafter. We reached a 90% completion rate in 2022 and our target is a 100% completion rate. We conduct quarterly phishing exercises to build employee awareness and identify potential vulnerabilities in our daily operations. We also provide role-based security awareness training depending on specific business functions and responsibilities.

information security management

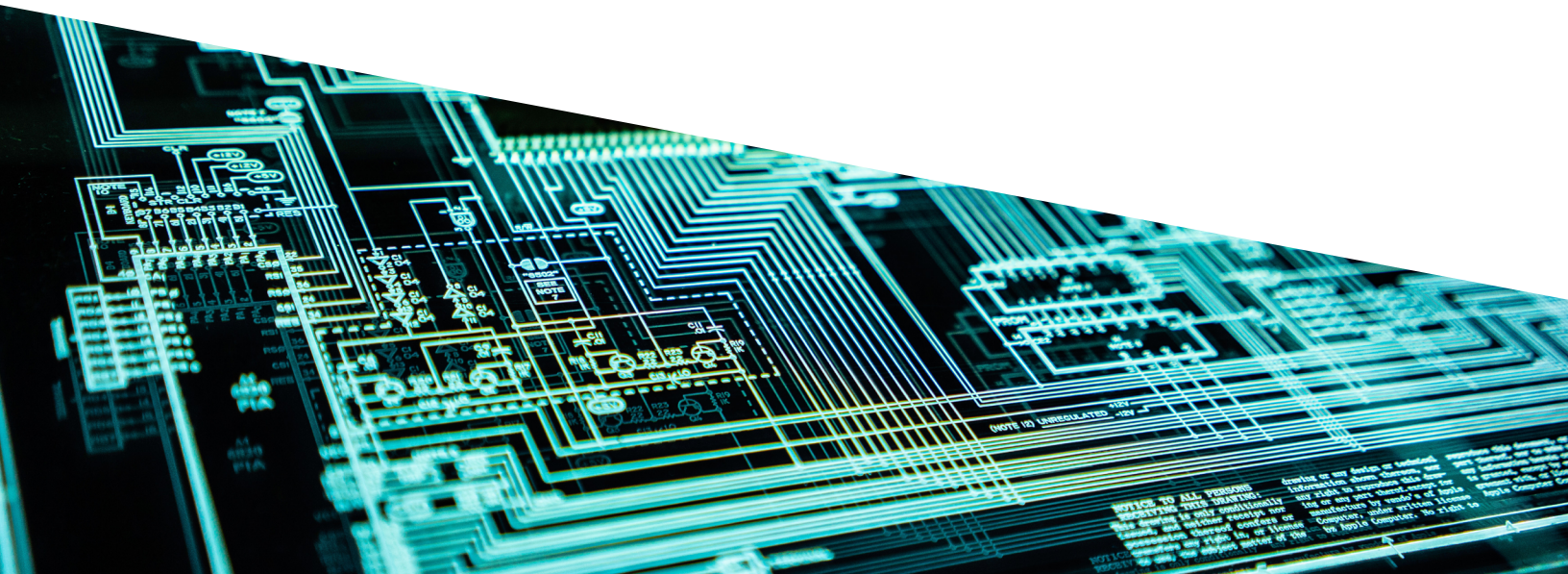
Testing and Incident Response Plan

Our Information Security technology is built upon a “defense in depth” strategy for protecting our external and internal networks, endpoints, applications, data and users. We conduct at least annual external and internal penetration testing and application security assessments. We also facilitate regular passive scanning on our web applications and external-facing information to obtain risk scorecards and priority areas to remediate.

We have full integration of vulnerability management and remediation with incident detection and response. Our Incident Response Plan details how to proceed in case of a cybersecurity incident and each potential incident type has an internal playbook outlining roles and responsibilities, escalation procedures and timelines associated with a response. Our partners proactively escalate credible external threats to our team so that we may launch an internal investigation and manage an appropriate response through resolution and remediation. We collaborate with third parties to conduct tabletop exercises at least annually. These exercises contribute to updates of our policies, guidelines and response plans that improve our security posture.

Third-Party Cyber Risk Management

Our Procurement, GRC and Consumer Security teams collectively develop and facilitate required onboarding processes for third-party vendors and partners to assess IT security risks. We track security certifications for third parties connecting to our network to determine whether they meet or exceed appropriate industry standards and practices. Our Consumer Security Team also performs risk assessments of vendor applications to validate sound security practices.



intellectual property

The protection of our technology and intellectual property is an important aspect of our business. We seek to protect our intellectual property rights through trademark, trade secret and copyright law, as well as confidentiality agreements, procedures and other contractual commitments and other legal rights. We generally enter into confidentiality agreements and invention assignment agreements with our employees and consultants to control access to and clarify ownership of our proprietary information.

For more information on our protection of our trademarks, copyrights and other intellectual property, please see our [ANNUAL REPORT](#) and our Code of Conduct on our Investor Relations website.



3. *driving social responsibility*

Vroom is working to drive enduring change in the auto industry by taking a vertically integrated, hybrid approach. We leverage the benefits of national scale and local efficiency to reinvent all phases of the vehicle buying and selling process, from discovery to delivery and everything in between.



customer experience and ethical business practices

We recognize that Vroom's continued success is dependent upon our ability to create and preserve customer trust. We are dedicated to building customer confidence and providing an exceptional customer experience with complete transparency and assurance.

we engineer the surest route from wary car shopper to confident car owner



Our Commitment to Customer Trust

We aim to create a climate of trust and provide an exceptional, transparent experience by eliminating friction and sales pressure. The traditional auto dealers and peer-to-peer market do not and cannot offer consumers what we offer. Our ethical business practices guide every step of the process of executing successful vehicle transactions for our customers.

Ethical Marketing Practices

Our service is dedicated to creating clients for life. We aim for advertising to be clear, truthful and easy for our customers to understand. We provide regular training for our salespeople to help customers through the three aspects of the car buying process—buying, selling and financing—online, in a simple, smart, affordable way. We design and train our team on our compliance requirements to ensure customer communications are done in a fair, honest and transparent manner, with clear and honest information.

Vroom's advertising, marketing and certain customer communications are reviewed and approved by our Legal Team before being shared externally.

customer experience and ethical business practices

Transparent Pricing and Sales Process

We provide consumers with a personalized and intuitive ecommerce interface to research and select from thousands of fully reconditioned vehicles. Our platform is accessible at any time on any device and provides transparent pricing as well as real-time financing. Beyond make, model and color, our pricing strategy considers hundreds of variables that are unavailable to traditional dealerships, such as proprietary historical purchase and sales data. We have policies in place so that pricing disclosures meet state requirements and that buyers receive attractive, market-based, no-haggle pricing.

With data science and testing at the core of everything we do, our objective is an objective, fair and analytical approach. We rely on data science, machine learning and A/B and multivariate testing to continually drive optimization and operating leverage across our ecommerce and vehicle operations.

Our professional sales and customer experience teams accompany the buyer through every step of the process to make sure questions are answered and any concerns are addressed. In all our customer interactions, our goal is to ensure clear and honest communication so that every customer is a delighted customer.

We also provide a hassle-free, transparent process for consumers looking to sell or trade in their vehicles. We offer attractive, real-time, competitive, market-based price quotes, convenient and contact-free vehicle pickups and no high-pressure tactics.

Vehicle Transparency and Assurance

We also provide transparency by presenting comprehensive information on the vehicles we sell. The high-resolution photography on our platform shows customers the vehicles from all angles and our detailed product descriptions and photos highlight imperfections. We also provide third-party vehicle history reports with every vehicle.

After the customer receives the vehicle, our Return Program offers seven days or 250 miles to test drive the purchased vehicle. Our approach fundamentally transforms the customer experience from the traditional test drive to an enhanced, pressure-free opportunity to assess vehicle performance in day-to-day life.

We provide consumers with a personalized and intuitive ecommerce interface to research and select from thousands of fully reconditioned vehicles.



**We provide a 90-day limited warranty
for all purchased vehicles.**

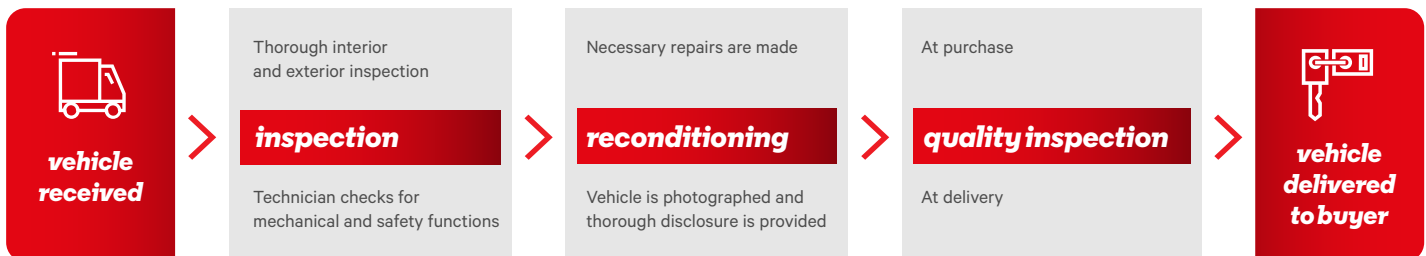
Please see additional details about our commitment to quality and customer satisfaction below in the section on **Vehicle Quality and Safety**.

vehicle quality and safety

We take vehicle quality and safety very seriously at Vroom and incorporate a rigorous inspection and reconditioning process so our customers receive high-quality used vehicles. All of our cars come with free vehicle history reports at the time of listing for sale and purchase. When we receive the vehicle, we thoroughly inspect the interior and exterior, test drive it and check the mechanical, electrical and cosmetic features. The vehicles go through a thorough reconditioning process to address issues that were identified. We then take standardized photos of the vehicle for easy comparison and disclose certain information that buyers may need.

inspection and reconditioning process:

1. Vehicle received
2. Vehicle goes through a thorough interior and exterior inspection process
3. Vehicle goes to a technician for check of mechanical and electrical features (tires, brakes, controls, etc.)
4. Vroom makes any necessary repairs
5. Vehicle is photographed to provide transparent disclosure
6. Quality check of vehicle at contracting
7. Deliver safely to the buyer
8. Quality check again when delivered



vehicle quality and safety

Providing Consumer Protection

At Vroom, we want our customers to feel confident in the investment they have made in their vehicle. That's why protection is included with every purchase. From providing a 90-day limited warranty that reduces unexpected costs associated with mechanical breakdown, repairs, parts and labor to our one-year roadside assistance that helps customers get safely back on the road or to a repair facility, customer confidence is a standard.

Included Protection
With Every Purchase



90-Day Limited Warranty

The limited warranty helps to minimize unexpected costs associated with mechanical breakdown, repairs, parts and labor.



1-Year Roadside Assistance

One year of complimentary roadside assistance to help get customers safely back on the road or to a repair facility, 24 hours a day, 7 days a week.

customer privacy and transaction security

Customer security is a top priority for Vroom. We implement reasonable physical, managerial and technical measures to maintain the security and integrity of customer information and the services offered and prevent unauthorized access, use, modification, or deletion.

Customer Privacy

We are committed to respecting the privacy of our customers. Everyone who works with personal information on behalf of Vroom has a responsibility to understand and honor our privacy obligations. We utilize industry-standard security measures to safeguard the information we collect, maintain and use. These measures include technical and procedural steps to protect data from misuse, unauthorized access, disclosure, loss, alteration, or destruction.

Customers can limit their data collection and/or use of personal information in several ways, as detailed within our Privacy Policy, including:



Our Privacy Policy provides further detail on the types of customer information that is collected and how that information is collected, used, transmitted, stored and shared. Please see our [PRIVACY POLICY](#) for more information.

In addition, Vroom complies with various state consumer privacy laws, including the California Consumer Privacy Act (CCPA), the Virginia Consumer Data Protection Act (VCDPA) and the Nevada Privacy Law.

Transaction Security

We accept payments for deposits on our vehicles through a variety of methods, including credit card and debit card, which means that we are subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard (PCI DSS) and rules governing electronic funds transfer. As our business changes, we also may be subject to different rules under existing standards, which may require new assessments and compliance measures.



responsible supply chain and partnership management

Our scalable and vertically integrated operations underpin our business model. We strategically source inventory from:



Consumers



Original Equipment Manufacturers (OEMs)



Auctions



Dealers



Rental Car Companies

In our reconditioning and logistics operations, we deploy a hybrid strategy that optimizes a combination of ownership and operation of assets by us with strategic third-party partnerships. As we scale nationally, we continue to leverage our expanding last-mile logistics operations and geographically dispersed network of reconditioning centers to further develop our regional operating model, which is designed to improve our operating leverage, drive stronger unit economics and enhance our customer experience.

Our Procurement Department is responsible for evaluating suppliers, products and services, representing Vroom with third-party suppliers and vendors and negotiating cost-effective business terms.



4.

environmental stewardship

As we grow and operate our business, we are committed to being responsible stewards and reducing our environmental footprint. We intend to develop practices and programs to more efficiently use natural resources, including energy and water consumption, reduce our waste and decrease our greenhouse gas (GHG) emissions.

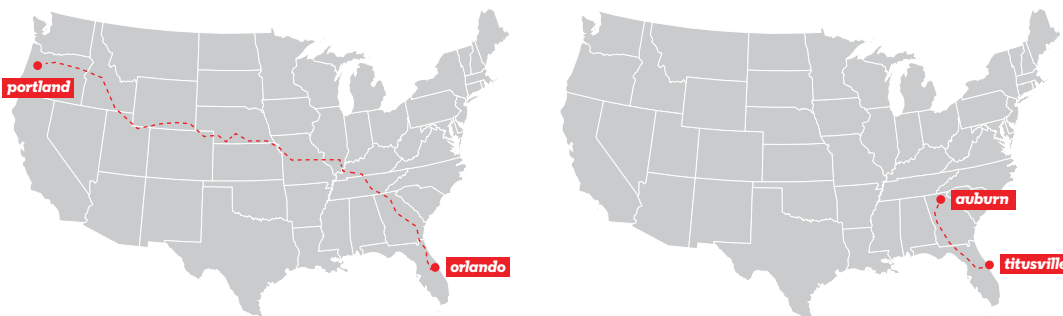
energy and ghg management

As our workforce transitioned to either full- or partial-remote working models, we have been downsizing and rightsizing our office space to align with our office needs. This has resulted in a square-footage reduction of approximately 63% in 2022 versus the prior year, thereby significantly decreasing our operational footprint. Vroom is committed to conserving energy in its facilities and our offices use LED lighting, energy management systems and occupancy sensors to conserve energy. Our corporate headquarters in Houston, Texas, is located in LEED Gold Certified buildings. We are in the process of phasing LED lighting into our dealership and reconditioning location in Stafford, Texas, with approximately 20% of the lighting in that location using LED lighting as of April 2023.

We have also outsourced our data center to large-scale industry providers, which we believe has decreased our overall carbon footprint by leveraging the economies of scale and environmental efficiencies of our third-party and system vendors' cloud-based data center capabilities.

We continue to leverage our expanding last mile logistics operations and geographically dispersed network of reconditioning centers to further develop our regional operating model, which is designed to improve our operating leverage, drive stronger unit economics and enhance our customer experience. At the same time, our regional operating model will enable us to reduce the number of miles our vehicles travel, both inbound and outbound, which will reduce our environmental impact.

National versus Regional Model



Vehicle Emissions

As we develop our proprietary logistics operations, including vehicle pickup and delivery from our last-mile hubs, we will seek to conduct our operations on efficient vehicles with optimal routing to reduce mileage and to transport high loads of vehicles at once along efficiently scheduled, high-density lanes. This approach will both lower our carbon emissions and reduce our transportation costs. In addition, our recently acquired fleet of last-mile and line-haul trucks incorporates the latest emissions-reducing technology and we will continue to prioritize such vehicles.

Meeting Consumer EV Demand

Consumer interest in electric vehicles (EVs) has been increasing in recent years and vehicle manufacturers have announced initiatives to phase out internal combustion engines in the coming years. Vroom offers EVs on our ecommerce platform and we are committed to increasing our inventory of EVs in keeping with consumer demand and market dynamics.

water and waste management

We seek to reduce waste and water usage across our footprint through both our business operations and our vehicle management process.

Operational and Hazardous Waste

We actively look for ways to divert waste in our operational footprint and we have adopted digital communications and agreement protocols that aim to decrease our use of paper over time and reduce our overall printer needs.

Hazardous waste has high potential for health and ecological harm and therefore requires the utmost care and attention. At our proprietary reconditioning center, we are recycling oil, wheel weights, tires and battery cores, among other materials, and have initiatives in place to help us meet all legal and regulatory waste management and other environmental requirements. We also practice recycling protocols for paint and metal. Our reconditioning partners have compliance programs in alignment with the state ordinances and regulatory requirements of the Environmental Protection Agency (EPA) or Occupational Safety and Health Administration (OSHA) relative to such areas as water retention, chemical usage and water-based paint.

Vehicle Life Cycle Management

We integrate life cycle management practices throughout our processes, and we sell all vehicle inventory. If we are unable to sell a vehicle in a retail environment, we then sell it in a wholesale environment and ultimately extend the life of the vehicle so it can continue to be used.



5.

our people

We are a team of passionate and driven individuals committed to changing the way the world buys and sells cars, working with the latest in technology and data analysis. Without our dedicated Vroommates and UACC colleagues, we could not achieve our vision of building the world's premier platform to research, discover, buy and sell vehicles.



our people

Workforce Snapshot

	as of 12/31/2021 (Vroom legacy business only)	as of 12/31/2022* (Including UACC employees)
total employees	1,807	2,006
Full-Time Employees	1,806	1,993
Part-Time Employees	1	13
employee breakdown by location		
Employees in the United States	1,666	1,840
Employees in Belgrade, Serbia	141	166
Of Total Employees, Technical Employees Holding H-1B Visas	31	40
employee composition by role		
Reconditioning and Logistics	29%	15%
Corporate Functions	12%	14%
Transactional Staff	34%	42%
Technical and Engineering Staff	18%	14%
Sales and Retail Staff	6%	16%

*The 2022 numbers consist of 1323 Vroom employees and 683 UACC employees. These numbers reflect the acquisition of UACC in February 2022, along with significant restructuring at Vroom, which led to a reduced Vroom headcount as of December 31, 2022.

diversity, equity and inclusion

Diversity, Equity, and Inclusion (DEI) is a core aspect of our values driven culture. We are committed to leading a company where meritocracy aligns with respect for all individuals to create the opportunity for Vroom to have a Board, management team, and workforce that reflects the diversity of our customers and communities. We strive to provide an environment where all employees have the opportunity to succeed in our organization and to build spaces where each employee feels seen, heard, and valued. In addition to providing a positive work environment and creating career opportunities for our employees, we believe our focus on diversity, equity and inclusion leads to greater employee satisfaction, higher productivity and reduced turnover, which also reduces recruiting, hiring and training costs.

oversight

At the Board level, the NCG Committee oversees our programs and policies regarding diversity, equity and inclusion. In 2022, Vroom established a DEI Council composed of employees representing a diverse range of backgrounds and various lines of business. The DEI Council was established to help design and deploy key DEI initiatives within the organization to improve experiences and outcomes for our employees. The DEI Council met weekly in 2022 to provide periodic updates to the management team.

our dei strategy

We are focused on enhancing the workplace experience for our employees to drive higher levels of engagement, improved representation throughout the organization and enhanced opportunities for career movement and promotions.

We are an equal opportunity employer committed to creating a work environment creates opportunities for professional development and career advancement. To do that, we champion a workplace where each person is treated with dignity and respect and is valued for their unique perspective and contributions. We believe that our values can only come to life in an environment where every individual is able to bring their whole self to work and contribute fully. We believe our people do their best work and are most productive when they feel respected, engaged, and valued.

Our 2022 DEI achievements

- ✓ Racial and ethnic diversity (e.g. non-white) among our U.S. employees remained high, at 66% as of December 31, 2022.
- ✓ We continued and broadened our listening sessions and speaker sessions, including “fireside chats” with executive and Board female leaders and people of color.
- ✓ The percentage of women in our U.S. workforce increased to 48% as of December 31, 2022, from 42% as of December 31, 2021.
- ✓ Formed Employee Resource Groups (ERGs)

Our 2023 DEI focus areas

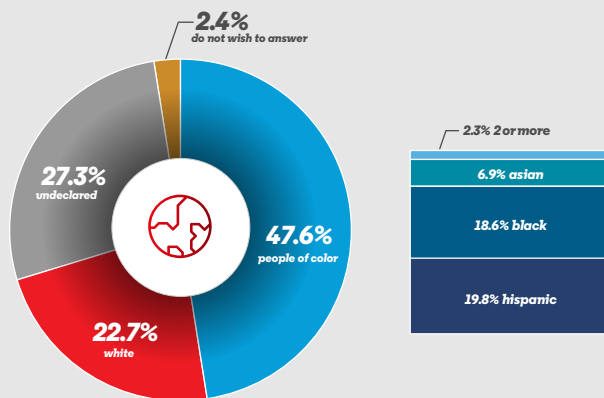
- ✓ To encourage self-identification across the newly acquired UACC business and full participation in enterprise-wide DEI efforts;
- ✓ To design both short- and long-term DEI plans for the organization shepherded by our DEI co-leads and led by the management team;
- ✓ To broaden education and support activities, including additional training and speaker engagements and expanding our ERG networks and;
- ✓ To broaden our sourcing strategy for all positions, increasing the diversity of our applicant pool and candidate slates.

diversity, equity and inclusion

Employee Diversity Metrics

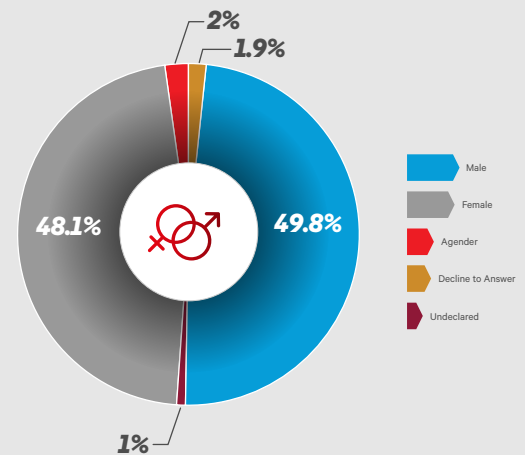
ETHNIC AND RACIAL DIVERSITY

As of December 31, 2022; Includes UACC



GENDER DIVERSITY

As of December 31, 2022; Includes UACC



Inclusion Training and Awareness

During our new hire orientation, we highlight Vroom's commitment to championing inclusion for all employees and encourage new hires to take equal responsibility in fostering diversity and inclusion in all aspects of their Vroom experience.

Additionally, employees are required to take two DEI-related courses, Unconscious Bias Training and Preventing Harassment, upon hire and annually thereafter. In collaboration, in 2022 the DEI Council and our Learning and Development Team continued to expand our training programs with the goal of advancing our foundational DEI understanding and progress in representation, recruiting, development and retention.

The management team participates in DEI leadership training and development workshops to model best practices among our leadership. Additionally, the DEI Council has sponsored "Let's Talk!" sessions designed to foster conversations and connection among underrepresented groups across Vroom.

Employee Resource Groups

In 2022, we launched employee resource groups (ERGs) across Vroom. These groups are important networks for employees from underrepresented groups and their allies and aim to support our diverse community through programs, networking, resources, tools and community building, among others, to drive an environment that values the differences we bring to the workplace. Each ERG has an executive sponsor from our management team, co-leads who design and drive agendas and programming and members who help deploy, represent and network both internally and externally. The ERGs currently provide support, networking and resources for women, the Hispanic/Latin community, the Black community, the Asian and Pacific Islander community and the LGBTQ+ community.

compensation and well-being

Our philosophy on employee compensation and benefits is driven by the desire to attract and retain top talent, while ensuring alignment with our corporate and financial objectives and the long-term interests of our shareholders.

Compensation and Benefits

We believe that we work best as a Pit Crew where every voice is heard and valued. Vroom offers the same core benefits package to every employee regardless of position or level in the organization. While our base pay, bonus and equity practices do vary by employment level, we have chosen to have an internal minimum wage above that required by law for our employees paid on an hourly basis.

We have developed a pay structure that offers a competitive total compensation package, including base salary, bonus, equity and other position-specific incentives. Annual bonus plans are funded based on company performance and payouts are discretionary based on individual performance. Our comprehensive benefit plans offer medical, dental and vision insurance and long- and short-term disability, as well as flexible spending accounts and other voluntary coverage.

We routinely benchmark our salaries and benefits against market peers to assess whether our total rewards package remains competitive. None of our employees are represented by a labor union. We consider our relationships with our employees to be good and have not experienced any interruptions of operations due to labor disagreements.

Employee Well-Being

We offer a broad range of health and welfare benefits to support the health and well-being of our employees. For example, Vroom offers paid parental leave of up to six weeks, or 30 business days, to eligible regular full-time employees to take time away from work for bonding, care and adjustment associated with the birth, adoption, or foster placement of a child. We provide an Employee Assistance Program that offers confidential, professional support to help employees lead a happier and more productive life at home and at work, as well as a Work/Life Balance Program that offers guidance from specialists on balancing work/life issues such as childcare, eldercare and financial management.

learning and development

A key part of Vroom's operating philosophy is helping employees continually learn and develop along their chosen career paths. We offer a number of developmental programs in addition to standard training on DEI and compliance-oriented topics, including on anti-discrimination, anti-harassment and whistleblowing. Offerings include content on managing bias, providing effective feedback, utilizing compensation tools, thoughtful self-evaluation and skills training.

Career Development Resources

We aim to provide the opportunity to all employees to learn and develop skill sets for professional development, such as training for new managers, aspiring managers and leaders in Vroom. We view our training platform as helpful in creating an engaged culture of support and removing any barriers to allow people to succeed in and focus on their job. We are working to incorporate over 24,000 e-learning courses into our learning management system to give people the opportunity to take self-paced courses to further develop the skill sets they need.

Vroom looks at career development in relation to knowledge, skills, attributes and the practices that make roles successful for individuals, managers and leaders. Additionally, we provide job-specific training depending on the area of the business.

**at the end of 2022, our learning
management system content included**

1,061
ACTIVE COURSES

1,911
ACTIVE USERS



employee engagement and retention

Each year, we conduct an engagement survey among our employees, both to measure their collective sentiment and to focus our efforts on maintaining a workplace where employees can thrive and do their best work every day. We used our 2021 annual engagement survey to identify key areas for improvement. Despite broad cross-industry trends showing downward pressure on engagement, we maintained our overall engagement levels in 2022, including for our focus areas. The response rate was 86% in 2022, a 7% improvement on the prior year, and the favorability rate was 72%, staying steady over the prior year.

86% response rate

72% favorability



HIGHLY
ENGAGED



MODERATELY
ENGAGED



BARELY
ENGAGED



DISENGAGED

Highlights of 2022 Engagement Survey

Our largest gains and most positive scores in the 2022 survey centered around the categories of safety, ethics and customer service – all reflective of the enormous effort we put toward building the fundamentals of our business operations. Areas where we are focusing on improvement in 2023 are around improved change management and continuous alignment around the long-term path to success for the business.

Expanding Our Employee Engagement

We prioritize ongoing communication with our employees and encourage them to provide input into Vroom's daily operations. In addition to our annual engagement surveys and other tools, Vroom has implemented the following systems designed to improve communication and feedback to and from employees.



TOWN HALL STYLE MEETINGS

with Chief Executive Officer
and Senior Leadership

Quarterly town-hall style meetings where business results are shared and employees submit questions to the Chief Executive Officer and Senior Leadership Team regarding a wide range of topics.



PIT CREW FEEDBACK

An always-on, multi-rater feedback tool that allows managers to collect feedback from their employee's key stakeholders at the time when it's most pertinent.



PACESETTER AWARDS

Quarterly awards that highlight employees in the business who exemplify Vroom's values. These awards show appreciation while also setting an example for employee interactions.

workplace health and safety

Vroom takes a comprehensive approach to workplace health and safety. We aim to create a working environment where our workforce is empowered and encouraged to make safety a priority. In 2022, we continued our focus on the overall health, safety and well-being of our employees as we transitioned to a combined in-person, hybrid and remote work environment after the COVID-19 pandemic.

Safety Training and Reporting

We integrate safety and risk management into our daily operations by focusing on a robust training program. All employees in safety-sensitive positions are required to complete safety training during onboarding and annually thereafter.

We also continue to build robust reporting systems. Our electronic reporting system allows all employees access to the ability to report safety events. Employees are required to report all incidents, no matter the severity. The comprehensive identification and management of all events, including near-miss reporting, helps to strengthen our safety culture.

We have created a safety program for our reconditioning and retail-ready facilities with on-site training. This safety program enabled us to improve our total recordable injury rate to 1.45 injuries per 100 employees in 2022 from 7.10 injuries per 100 employees in 2021, a 80% improvement rate in our team's ability to avoid injury.

Driver Safety

We continued to build our line-haul group during the year, purchasing additional tractor-trailer car haulers and hiring 25 additional drivers with commercial driver's licenses (CDL). Our CDL drivers go through an extensive two-week, in-person onboarding and training program for safe operation and driving. With close to 3 million miles driven in 2022, our CDL drivers finished the year with only three incidents reportable to the Department of Transportation (DOT). Our last-mile group transported over 31,000 vehicles without any reportable incidents. As an organization, Vroom finished 2022 with an OSHA recordable rate of 0.53, down from 1.60 in 2021, a 67% improvement and a score that we consider a strong safety result.

Fleet safety is an essential part of our operations. Vroom has a dedicated DOT manager to ensure exceptional compliance for our trucks and drivers. With 29 roadside inspections conducted on our vehicles and drivers during 2022, we had zero out-of-service violations for our trucks and our drivers, compared to a national average of 21% and 6%, respectively. In addition, in 2022, we installed a telemetric artificial intelligence (AI) system in all of our trucks to allow for real-time coaching of our drivers before accidents happen. The system assigns each driver a score that enables us to identify and educate the drivers. The telemetric AI system resulted in a reduction of \$20,000/month in our auto insurance premiums in 2022.

6.

united auto credit corporation



about us

In February 2022, Vroom acquired United Auto Credit Corporation (UACC), a proven leader in automotive finance with 25 years of experience. UACC joined Vroom's existing lineup of lenders while concurrently launching efforts to fully integrate its services within the Vroom ecommerce platform to create an end-to-end, full-service financing operation. With the integration of UACC's lending capabilities, we have expanded the opportunity for consumers to shop for, purchase and finance their next vehicle on Vroom's ecommerce platform without ever leaving home.

UACC at a Glance

UACC is a nationwide technology-enabled auto lender serving the independent dealer market with proprietary technology that easily adapts to the ever-changing market, scales efficiently and generates operating leverage. UACC is noted for our commitment to excellent service and creating value for our employees, customers and dealer partners. This transformational acquisition aims to accelerate Vroom's strategic objective to establish captive financing capabilities to support sales growth, improve unit economics and create long-term value for Vroom's shareholders.



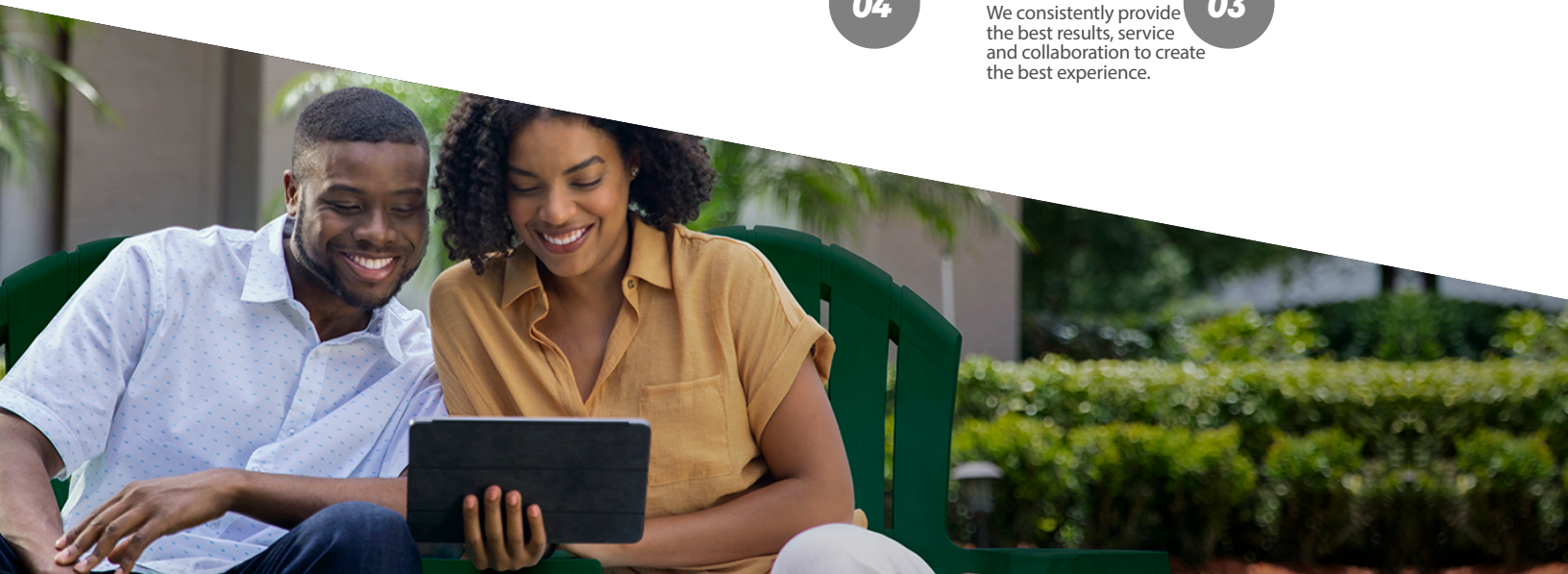
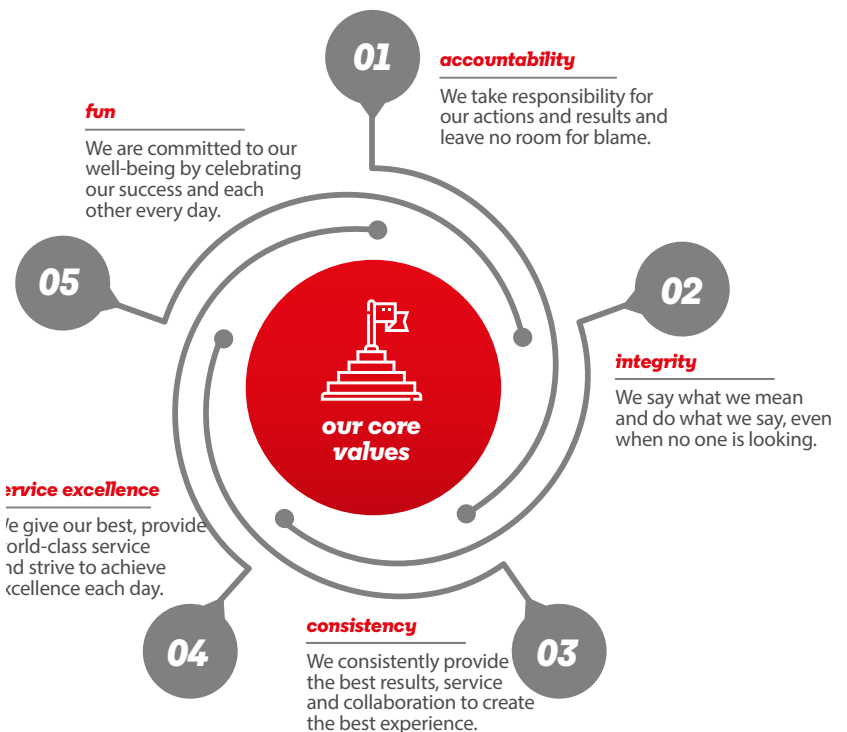
Our Mission

Providing the best opportunities for our dealers and customers to achieve financial success through our hard work, innovation, and great service.



Our Vision

At United Auto Credit, we strive to be the company of choice for our employees, customers, and dealers through our drive to make a difference.



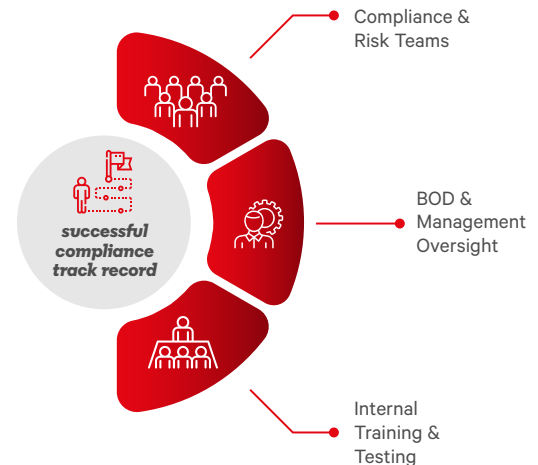
corporate governance

Culture of Compliance

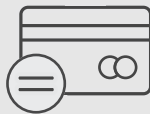
Even with an increase in the frequency of federal and state exams, UACC has a proven success record in its exam outcomes. Our successful compliance track record is due to our Compliance Management System with numerous oversight initiatives, centralized complaint management system and dedicated complaint response team, as reflected in the three key pillars of our compliance program.

Effective Compliance and Risk Teams

At UACC, our leadership team instills a culture of compliance and a program that is comprehensive and adaptable to changing regulations, primarily with those related to consumer lending, such as:



DODD-FRANK
ACT



EQUAL CREDIT
OPPORTUNITY ACT



FAIR CREDIT
REPORTING ACT



GRAMM-LEACH-BLILEY
ACT



TRUTH IN
LENDING ACT



TELEPHONE CONSUMER
PROTECTION ACT

As a proactive means of promoting compliance with legal and regulatory requirements and UACC policies and procedures, UACC has established a comprehensive set of programs and processes. Notable aspects of our compliance program include:

- ✓ Monthly quality control monitoring of high-risk compliance components
- ✓ Call quality monitoring of collection and funding calls with consumers
- ✓ Testing of operational units
- ✓ Internal compliance scores integrated with incentive pay plans

Board and Management Oversight

UACC is committed to maintaining robust governance practices to bolster the effectiveness of the UACC Board of Directors (UACC Board) and leadership team.

The UACC Board has a Compliance Committee and Credit Risk Committee that oversee their respective areas. The UACC Board meets at least quarterly and holds calls in between as necessary.

Internal Testing and Training

We recognize the value of a robust monitoring and testing program. UACC's Chief Compliance Officer is responsible for establishing consistent minimum requirements for the planning, executing and reporting of compliance testing activities performed within UACC. These internal testing activities include proactive measures to identify, assess, report and mitigate compliance and reputational risks to the benefit of UACC, our customers and our employees.

As part of our Compliance Management System, we have a rigorous testing environment, 360-degree review and continual refinement based on the results of internal tests. The annual Compliance Risk Assessment forms the foundation of UACC's Testing Program.

corporate governance

The factors assessed in the UACC Testing Program include whether:

- ✓ The business adheres to applicable laws, regulations and/or policies
- ✓ Controls are properly designed and operating effectively to mitigate risks
- ✓ Assumptions, data sources and procedures utilized in managing, measuring and monitoring compliance risks can be relied upon
- ✓ Our testing approach has formal guidelines on how to develop the testing objective, scope, population, sample size and sample selection when ensuring compliance. The results of the testing are evaluated from a regulatory, policy and quality approach and an appropriate response is made.
- ✓ The scope and frequency of reviews under UACC's Testing Program are based upon the associated risks identified through the ongoing consideration of relevant and available information obtained through monitoring, testing and surveillance activities. However, processes are tested at least once every 12 months and additional reviews may be requested and scheduled as needed and as resources permit.
- ✓ Employees receive initial and ongoing training on UACC's policies and procedures. We also provide robust internal training opportunities, leveraging deep industry knowledge of staffed professionals from the business and post-training incubation teams with specialized training leaders.

Vendor and Dealer Management

Our Vendor Management Program, overseen by Compliance, ensures potential vendors go through both compliance and IT due diligence prior to approval of any new vendor agreement. The due diligence program includes a risk assessment, verification of proper licensing, a data security review and the vendor and its owners being checked against the Specially Designated Nationals and Blocked Persons (SDN) list. Similarly, prospective dealers go through a rigorous onboarding due diligence and must also be checked against the SDN list prior to approval.

Compliance monitors vendors on an ongoing basis, guided by the vendor risk assessment and also performs a monthly review of active UACC vendor business and business owners, as well as dealerships and dealer principals, against the SDN list. The results of the review are reported to the Chief Compliance Officer for further review and remediation efforts.

Data Security and Customer Privacy

We are committed to keeping customer information confidential in compliance with applicable privacy laws and are also committed to safeguarding customer information from unauthorized disclosure and use. Our privacy and security measures are designed to safeguard the sensitive data of consumers and our customers and protect the security and integrity of the data we manage. Vroom's Information Security program also applies to UACC and includes strict oversight, policies and controls to protect against anticipated threats to customer information and business operations. For more information, please refer to the Vroom Information Security Management section. Vroom's Governance, Risk and Compliance group (GRC) also provides oversight of UACC's cybersecurity and IT risks, controls and procedures. Progress against security plans, results from ongoing security monitoring and external audits are presented quarterly to the UACC Board.

We conduct cybersecurity and privacy training for new hires and an annual refresher for current employees, including executives and senior management. In addition, ongoing cybersecurity awareness training and exercises are administered periodically throughout the year to build employee awareness and identify areas of potential vulnerability in our daily business practices.

Our Privacy Policy is intended to provide guidance on the handling of sensitive and personal information about consumers and security surrounding the receipt and transmittal of customer information. Our policies and procedures facilitate employee access to sufficient information needed to perform job functions in a manner designed to prevent violations and to detect or prevent associated risks of harm to consumers. Further, we provide ways for customers to submit privacy opt-outs and requests for information, as required by federal and state privacy laws. For more information, please see the [UACC PRIVACY POLICY](#).

responsible business practices

Fair Lending and Credit Policies

UACC's policy is to comply with applicable federal, state and local laws and regulations in connection with the evaluation of applicants for credit and the extension of credit and requires that credit decisions are made in compliance with our Fair Lending Policy. It is our policy to make credit equally available to qualified applicants and to comply with both the spirit and the letter of laws and regulations related to nondiscriminatory practices in lending. This includes the Equal Credit Opportunity Act, and we work to serve our customers fairly and equally, without regard to race, color, creed, religion and other qualities. Our Fair Lending Policy and Plan are periodically reviewed by the Chief Compliance Officer so that they remain current and any changes are communicated appropriately.

senior management takes several actions to increase the effectiveness of our policies:

1. Review existing contract products and underwriting practices to avoid inadvertently discriminating through product design and lending practices.
2. Evaluate the content, concept and strategy of new marketing programs and materials prior to distribution for compliance with UACC's Fair Lending Policy and applicable federal and state laws.
3. Conduct fair lending training and retraining for new hires and current employees, including executive management and obtain certification that each employee understands and commits to upholding the provisions of this policy, as well as the principles of Regulation B.
4. Review approved and denied applications for decision compliance with established underwriting guidelines, policies and procedures.
5. Design policies to be in compliance with the spirit of the Fair Debt Collection Practices Act in connection with contract servicing.
6. Design policies to comply with UACC's established dealer and vendor approval process and monitor dealer and vendor performance.
7. Design policies to adhere to UACC's established complaint management process.
8. The Chief Compliance Officer periodically reviews UACC's Fair Lending Policy and Plan to ensure that it remains current and communicates any changes to the Board.

The Vice President of Acquisitions, or another employee designated by the Chief Operating Officer, is responsible for managing the adoption and implementation of UACC's credit policy, while UACC's underwriting guidelines are the responsibility of our Credit Risk Committee.

All employees of UACC who work in credit evaluation or a related field, such as marketing and servicing of accounts and collection of accounts receive onboarding and periodic training as needed on the laws and regulations pertaining to the evaluation of an applicant for credit and to the extension of credit, including the prohibition against discrimination. Training is generally conducted within 30 days of an employee's hire date and annually thereafter, or more frequently as changes in laws and regulations require. Senior management and Board members receive initial and recurring training on the rules and regulations pertaining to the prohibition of discrimination and on UACC's Fair Lending Policy.

responsible business practices

Quality Control and Complaints Management

Our Quality Management (QM) team reviews calls that take place within our Servicing Team and contain one or more key verbal elements. We leverage an analytics platform to review recorded calls identifying behaviors and practices that need to be forwarded to management for review or recognition. The QM team uses a review model called the “Three Dimensional Call,” which asks questions based on three pillars: behavior, quality and policy. When an opportunity is identified through the above methodology, it is forwarded to leadership for review and appropriate corrective action, as applicable. Ultimately, the QM team looks for opportunities where additional contact or review of the account may result in a better experience for the customer.

UACC is committed to being responsive to complaints from our customers and third parties. UACC has a dedicated Customer Experience team to resolve escalated concerns and to work with applicable business units, Compliance, or Legal to resolve each matter in a timely fashion and in compliance with applicable laws.

When a complaint is received and the issue identified (and documented in our Complaint Management System), it is communicated to the appropriate management team. Complaints are monitored and analyzed to identify any potential trends and to understand and correct weaknesses in our processes that lead to customer dissatisfaction, risks and potential violations of the law.



We aim for two business days or less between the complaint submission and customer contact. Employees are to keep consumers informed of the progress of their complaint resolution throughout the process should that process be prolonged.



On a monthly basis, a Complaint Report including trend data is sent to management to provide an overview of recently submitted complaints. Complaint data is also included in the quarterly report Compliance shares with the UACC Board. The resolution of the complaint, including any process or policy change that resulted from customer complaints, is documented in the Complaint Management System, as applicable.

Ethical Marketing Practices

Our team works to uphold strict ethical standards. Marketing materials go through multiple levels of compliance reviews and approvals.

Written business-to-business communication sent out to dealers by the Marketing team is governed by Compliance and Legal approved marketing guidelines. Compliance reviews for potential legal and compliance concerns, as well as copyright issues and accuracy to ensure the communication is not misleading or deceptive.

The Compliance team provides information to Marketing to add to the quarterly dealer newsletter, including updates on regulations and internal company policies, conducts a final review of any revisions and provides approval.

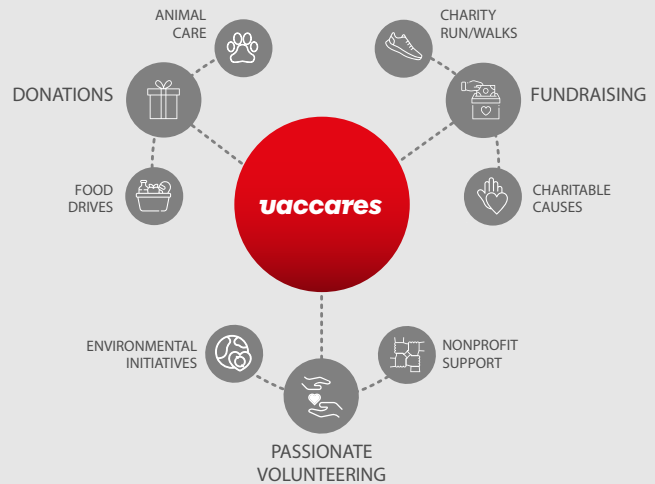
For servicing consumer communications, Compliance reviews mass external communications sent to customers. This includes, but is not limited to, call scripts, emails, forms, letters and website-facing communications. The review identifies potential legal and compliance concerns, as well as potential Unfair, Deceptive, or Abusive Acts or Practices and reputational risk.

our uacc team

UACC is dedicated to fostering a strong corporate culture and working atmosphere centered on our core values that permeate all aspects of the business, including employees, partners and customers. For more information, please see the [OUR PEOPLE SECTION](#).

one team, one vision - giving back

Driven to make a difference is not just a tagline, it is UACC's everyday mantra and we have an unwavering dedication to community involvement and employee development. UACCares was created to bring UACC closer together with one goal in mind – giving back to the community.



Benefits and Well-Being

We believe that our success is achieved through the hard work, innovation and service excellence that our team members provide. We strive to provide our team members with comprehensive benefits that can be tailored to their individual needs, such as various health plans, opportunities for professional and personal development, performance incentives, a 401(k) with employer match and a wellness program.

UACC Educational Initiative

UACC believes it is important to equip employees with the skills, knowledge and tools to navigate through change during and after the pandemic.

During the COVID-19 pandemic, we invested heavily in educational opportunities. It started with our Learning and Development team and COVID Task Force finding ways to engage and enrich employees' children while their parents worked. We recognized the potential challenges that working from home presented for parents and wanted to help our employees who were juggling work and childcare. Since then, our offerings have expanded from the initial focus on children to include the parents' and employees' overall well-being and skill development. Our educational opportunities are extended to our colleagues at Vroom as well.

parent / student focus	health and mental wellness	skill development
Provides access to tutoring, coaching and monthly parent and student curriculum designed to keep children on track in the new reality of virtual learning	Provides outreach support for employees and their families to promote mental wellness as well as unity	Provides resources for employees, customers and partners
	Assists in providing access to counseling and resources to navigate their new realities	Provides meaningful training for professional and personal growth for employees

7.









appendix



united nations sustainable development goals

The United Nations Sustainable Development Goals (SDGs) are a collaborative, global effort to achieve a better and more sustainable future for all. Represented by 17 Global Goals and 169 targets, the SDGs address challenges of poverty, inequality, climate change, environmental degradation, peace and justice. We identified the key areas where we have the greatest influence and impact through our business strategy, products and services.



goal	description	vroom's contribution	report section
5 GENDER EQUALITY 	Achieve gender equality and empower all women and girls	43% of our Board of Directors and 48% of our total workforce identify as women and we are working to further empower women on our teams.	OUR PEOPLE 
8 DECENT WORK AND ECONOMIC GROWTH 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Approximately 48% of our workforce identify as members of traditionally underrepresented racial/ethnic groups and we provide fair compensation, competitive benefits and opportunities for professional development and career growth.	OUR PEOPLE 
10 REDUCED INEQUALITIES 	Reduce inequality within and among countries	Our nonbiased and fair analytical approach is our way of working to reduce inequality in our work. We provide fair lending and credit policies through UACC.	RESPONSIBLE BUSINESS PRACTICES 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Ensure sustainable consumption and production patterns	Our business model is predicated on giving vehicles a second life. We integrate life cycle management practices throughout our processes, and we aim to sell all vehicle inventory.	ENVIRONMENTAL STEWARDSHIP 

sasb standards

The following tables incorporate the SASB Standards (now part of IFRS Foundation) related to multiline and specialty retailers (CG-MR), ecommerce (CG-EC) and consumer finance (FN-CF). They include the relevant metric(s) where available and/or references to sections within this report where specific topics are discussed.

sustainability disclosure topics & accounting metrics:

Multiline and Specialty Retailers and Distributors and Ecommerce

topic	accounting metric	sasb code	response
energy management in retail & distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	See Energy and GHG Management
data security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1 CG-EC-230a.1 FJ-CF-230a.3	See Vroom Information Security Management, UACC Data Security and Customer Privacy and UACC's Privacy Policy
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.2 CG-EC-230a.2 FN-CF-230a.1	
labor practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1	See Compensation and Wellbeing
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2	See Employee Engagement and Retention
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.3	See Our People
workforce diversity & inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	(1) Management Team: 43% women and 29% traditionally underrepresented racial/ethnic group representation within our Board, as of 4/28/2022. (2) Total Workforce: 48% women and 48% traditionally underrepresented racial/ethnic group representation , as of 12/31/2022. See Diversity, Equity and Inclusion
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	See Diversity, Equity and Inclusion
product sourcing, packaging & marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1	See Responsible Supply Chain and Partnership Management
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2	See Waste and Water Management
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	Packaging is not relevant to our commerce business model.
energy & water management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-EC-130a.1 CG-MR-130a.1	See Energy and GHG Management
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	CG-EC-130a.2	See Waste and Water Management
	Discussion of the integration of environmental considerations into strategic planning for data center needs	CG-EC-130a.3	See Energy and GHG Management

Continued...

sasb standards

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topic	accounting metric	sasb code	response
data privacy & advertising standards	Number of users whose information is used for secondary purposes	CG-EC-220a.1	See Customer Privacy and Transaction Security and Vroom's Privacy Policy
	Description of policies and practices relating to behavioral advertising and user privacy	CG-EC-220a.2	
employee recruitment, inclusion & performance	Employee engagement as a percentage	CG-EC-330a.1	86% for the 2022 engagement survey See Diversity, Equity and Inclusion
	(1) Voluntary and (2) involuntary turnover rate for all employees	CG-EC-330a.2	See Employee Engagement and Retention
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff and (3) all other employees	CG-EC-330a.3	(1) Management Team: 43% women and 29% traditionally underrepresented racial/ethnic group representation within our Board, as of 4/28/2022. (2) We do not track technical staff demographics at this time. (3) Total Workforce: 48% women and 48% traditionally underrepresented racial/ethnic group representation , as of 12/31/2022. See Diversity, Equity and Inclusion
	Percentage of technical employees who are H-1B visa holders	CG-EC-330a.4	40 technical employees are holding H-1B visas as of 12/31/2022. See Diversity, Equity and Inclusion
product packaging & distribution	Total greenhouse gas (GHG) footprint of product shipments	CG-EC-410a.1	See Energy and GHG Management
	Discussion of strategies to reduce the environmental impact of product delivery	CG-EC-410a.2	
customer privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	See UACC Data Security and Customer Privacy
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	See UACC's Privacy Policy
data security	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	FN-CF-230a.2	See UACC Data Security and Customer Privacy
selling practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	FN-CF-270a.1	See UACC Fair Lending and Credit Policies
	Approval rate for (1) credit and (2) prepaid products for applicants with FICO scores above and below 660	FN-CF-270a.2	
	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines and (5) average annual fees for prepaid products, for customers with FICO scores above and below 660	FN-CF-270a.3	
	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	FN-CF-270a.4	
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	FN-CF-270a.5	

forward-looking statements and other important disclaimers

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this report that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our ability to execute on our ESG initiatives; the anticipated results of our ESG strategy, risk management, assessment, and oversight; the impact of our ESG initiatives on customer retention and acquisition; our ability to decrease our carbon footprint, energy use and vehicle emissions; UACC's ability to comply with its policies and business practices; and our ability to meet SASB standards. These statements are based on management's current assumptions and are neither promises nor guarantees but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. For factors that could cause actual results to differ materially from the forward-looking statements in this report, please see the risks and uncertainties identified under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, as updated by our quarterly reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, each of which is available on our Investor Relations website at ir.vroom.com and on the SEC website at www.sec.gov. All forward-looking statements reflect our beliefs and assumptions only as of the date of this report. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

Additionally, our discussion of ESG assessments, goals, and relevant issues in this report are informed by various ESG standards and frameworks (including standards for the measurement of underlying data), and the interests of various stakeholders. As such, any significance may differ from, and should not be read

as necessarily rising to, the definition of "materiality" under the federal securities laws for SEC reporting purposes, even if we use the word "material" or similar language in this or our other reporting. Moreover, given the uncertainties, estimates, and assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess far in advance. In addition, given the inherent uncertainty of the estimates, assumptions, and timelines contained in this report, we may not be able to anticipate in advance whether or the degree to which we will or will not be able to meet our plans, targets, or goals. Furthermore, much of this information is subject to assumptions, estimates or third-party information that is still evolving and subject to change. Certain of our disclosures also rely at least in part on third-party information, and while we are not aware of any material issues with such information, except to the extent disclosed, we have not necessarily independently reviewed this information for accuracy. If our approaches to such matters are perceived to fall out of step with common or best practice, we may be subject to additional scrutiny, criticism, regulatory and investor engagement or litigation, any of which may adversely impact our business, financial condition, or results of operations. Moreover, while we aim to align certain disclosures set forth or referred to in this report with the recommendations of various third-party frameworks, such as the Sustainability Accounting Standards Board, we cannot guarantee strict adherence to these frameworks' recommendations. Additionally, our disclosures, as well as relevant internal controls, based on any standards may change due to revisions in framework requirements, availability or quality of information, changes in our business or applicable government policies, or other factors, some of which may be beyond our control.

As a final note, references to our website and other documents in this report are provided for convenience, and such materials are explicitly not incorporated by reference.