

# VOLKSWAGEN

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Media information

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## Volkswagen Group presents new Green Finance Framework

- Volkswagen Group's new Green Finance Framework (GFF) strengthens the link between its decarbonization and financing strategy
- Incorporating EU taxonomy enhances transparency for sustainability investors
- Only capital expenditures for all electric vehicles (BEV) are taken into account
- CFO Dr. Arno Antlitz: „ With the new Green Finance Framework we strengthen the position of the Volkswagen Group as an issuer of sustainable finance instruments and with that to the sustainable development of our company. To support our increasing investments in electrification we simultaneously aim to increase the share of Green Debt Instruments in our funding mix. In doing so we contribute to the development of the sustainable financing market.“

**Wolfsburg, November 1, 2022 – With the inclusion of the EU taxonomy into its new Green Finance Framework (GFF) the Volkswagen Group makes investments in Green Debt Instruments issued by the company more attractive, transparent and reliable for sustainability investors. The GFF links the Group's decarbonization goals with its financing strategy. Only capital expenditures (capitalized development costs and additions to property plant and equipment) for battery electric vehicles (BEV) that are aligned with the EU taxonomy are taken into account under the new GFF. The investments are audited in connection with the annual report by the Groups independent auditor on a reasonable assurance basis. Investors can thus obtain a high level of transparency and verification for the use of proceeds.**

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Dr. Arno Antlitz: "With the new Green Finance Framework we strengthen the position of the Volkswagen Group as an issuer of sustainable finance instruments and our contribution to the sustainable development of our company. To support our increasing investments in electrification we simultaneously aim to increase the share of Green Debt Instruments in our funding mix. In doing so we contribute to the development of the sustainable financing market."

The Volkswagen Group is continuing its way to focus in its GFF on all electric vehicles only. Capital expenditures in relation to plug-in hybrid electric vehicles (PHEVs) or to vehicles with combustion engines are fully excluded. By that, the company continues the way it has started back in March 2020, when the first Green Finance Framework was published. Volkswagen has issued Green Bonds totaling EUR 3.5 billion under the old framework. The new GFF will allow the Volkswagen Group to issue different Green Debt Instruments, including Green Senior Unsecured Bonds, Green Junior Subordinated Bonds, Green Schuldscheindarlehen, and obtain Green Loans.

The Volkswagen Group will report at least once per year on allocation of the net proceeds from debt instruments that are issued on the basis of the GFF as well as on the environmental impact of the BEVs where capital expenditures have been spent in accordance with the GFF. This will be demonstrated via the results from external certified Life Cycle Assessments which analyses the environmental impact of BEVs over their entire life cycle and all stages of the value chain. This includes the extraction of raw materials, the production of materials, the processes at its suppliers and its own production at its sites, the use phase with vehicle emissions and the necessary provision of energy and eventually the recycling of the vehicle at the end of its life cycle.

Sustainalytics as a renowned independent rating institute has given a second party opinion in order to verify compliance with the Green Bond Principles (2021) of the International Capital Market Association (ICMA) and the Green Loan Principles (2021) of the Loan Market Association (LMA).

You will find the Green Finance Framework [here](#).

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### About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. Ten brands from seven European countries belong to the Group: Volkswagen Passenger Cars, Audi, SEAT, Cupra, ŠKODA, Bentley, Lamborghini, Porsche, Ducati and Volkswagen Commercial Vehicles. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products range from pick-ups to buses and heavy trucks. Every weekday, 672,800 employees around the globe are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2021, the total number of vehicles delivered to customers by the Group globally was 8.9 million (2020: 9.3 million). Group sales revenue in 2021 totaled EUR 250.2 billion (2020: EUR 222.9 billion). Earnings after tax in 2021 amounted to EUR 15.4 billion (2020: EUR 8.8 billion).

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