
Media information

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Volkswagen successfully places first green bonds with a volume of € 2 billion

- **Two bonds with terms of 8 and 12 years and annual interest of 0.875% and 1.250%**
- **Green bonds based on the Green Finance Framework for sustainability-oriented financial instruments presented in March**
- **Funds to be used for the modular electric drive matrix (MEB) and the new BEV models ID.3¹ and ID.4²**
- **Group CFO Frank Witter: “With the issuance of our first Green Bonds, we are giving investors the opportunity to make sustainable investments in the future of e-mobility.”**

Wolfsburg, September 16, 2020 – Today, the Volkswagen Group successfully placed its first green bonds with a volume of € 2 billion in the market. The benchmark bonds, which are denominated in euros, have terms of 8 and 12 years and coupons of 0.875% and 1.250% respectively. Investors showed considerable interest, including both international and specialized green bond investors. This is the first issuance based on the Green Finance Framework (GFF) for sustainability-oriented financial instruments presented in March. The proceeds of the bonds will be used in a targeted way to fund the modular electric drive matrix (MEB) and the new BEV models ID.3 and ID.4. Annual reporting on the use of the proceeds and the environmental effects achieved will create transparency for investors.

Frank Witter, Member of the Group Board of Management responsible for Finance and IT, said: “With the issuance of our first Green Bonds, we are giving investors the opportunity to make sustainable investments in the future of e-mobility. It is a strategic milestone in our financing strategy, which we combine with our corporate target of CO₂ neutrality in 2050. The Volkswagen Group is thus successfully active in the key growth segment of green bonds. Within the framework of our comprehensive electric offensive, this will increasingly be the case in the future.”

The funds generated by the first green bonds will be used in a targeted way for the refinancing of projects connected with the modular electric drive matrix (MEB) and the new BEV models ID.3 and ID.4. The projects will include investments and expenditures for conceptual design, infrastructure, development and production of the modular electric drive matrix (MEB) itself, for the electric vehicles mentioned above based on this matrix and the production facilities required as well as tools and systems from suppliers and key components (e.g. batteries).

For Volkswagen's GFF, Sustainalytics, a renowned independent rating institute, has given a second-party opinion confirming compliance with the Green Bond Principles of the International Capital Market Association (ICMA) und den Green Loan Principles of the Loan Market Association (LMA). The green bonds which have now been issued have been certified by the Climate Bonds Initiative (CBI).

In 2018, the Volkswagen Group was the first automaker to commit to the Paris climate goals. Last year, the Group presented its new environmental mission statement "goTOzero". The aim of the mission statement is to operate the company as environmentally compatible as possible and to achieve a neutral CO₂ balance by 2050. The four main areas of activity under the mission statement are climate change, resources, air quality and environmental compliance.

The Volkswagen Group already launched its comprehensive electric offensive in 2016 and intends to become the world market leader in e-mobility. For this purpose, the Group will be investing about €33 billion by 2024, including €11 billion for the Volkswagen brand alone. The Group plans to launch up to 75 all-electric models by 2029 as well as about 60 hybrid models. During this period, the Group aims to sell about 20 million vehicles based on the modular electric drive matrix (MEB).

¹⁾ ID.3, 150 kW: power consumption, combined, kWh/100 km: 16.9 – 15.4 (WLTP); 15.4 – 14.5 (NEDC); CO₂ emissions, combined, g/km: 0.

²⁾ ID.4: This model is not yet available for sale in Europe.

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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. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. 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, 671.205 employees around the globe produce on average 44,567 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2019, the total number of vehicles delivered to customers by the Group globally was 10.97 million (2018: 10.83 million). The passenger car global market share was 12.9 percent. Group sales revenue in 2019 totaled EUR 252.6 billion (2018: EUR 235.8 billion). Earnings after tax in the fiscal year now ended amounted to EUR 14.0 billion (2018: EUR 12.2 billion).