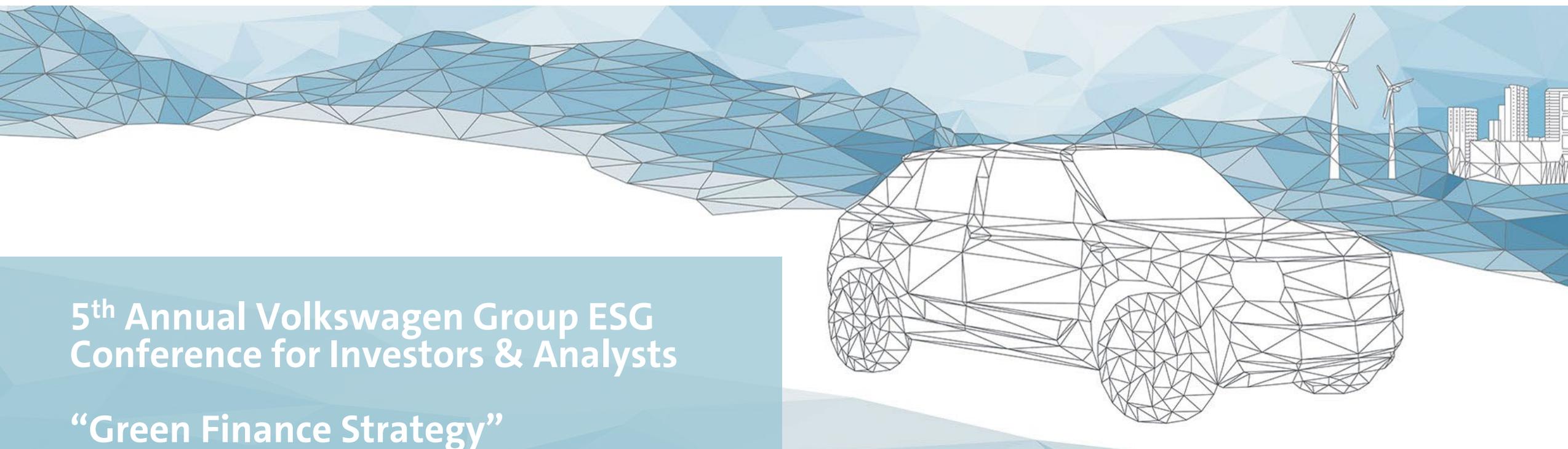


VOLKSWAGEN

AKTIENGESELLSCHAFT



**5th Annual Volkswagen Group ESG
Conference for Investors & Analysts**

“Green Finance Strategy”

Rolf Woller – Head of Group Treasury &
Investor Relations

6th October 2022

Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. At the time of preparing these presentations, it is not yet possible to conclusively assess the specific effects of the latest developments in the Russia-Ukraine conflict on the Volkswagen Group's business, nor is it possible to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2022.

Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or commodities relevant to the Volkswagen Group or the supply with parts, or deviations in the actual effects of the Covid-19 pandemic from the scenario presented will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Volkswagen Group's first Green Finance Framework published in 2020: Use of proceeds, Eligible Green Projects & second party opinion

Eligible Green Project Portfolio	ICMA GBP Category	UN SDGs	Contribution to EU's Environmental Objectives
<p>Projects related to the manufacture of electric vehicles</p> <p>Investments in, expenditures for and/or costs for conception, infrastructure, development and construction of the Modular Electrification Toolkit (MEB) itself, of electric vehicles and their production equipment and tools, supplier tools and systems and their key components, such as batteries, all related to the MEB.</p>	Clean Transportation	 	<p>The activities substantially contribute to the following EU environmental objective:</p> <p>Climate Change Mitigation - Increasing clean or climate-neutral mobility</p>
<p>Dedicated e-charging infrastructure (when separable from fossil fuel filling stations and garages)</p>	Clean Transportation		<p>The activities substantially contribute to the following EU environmental objective:</p> <p>Climate Change Mitigation</p>



The Volkswagen Group believes that Green Debt Instruments are effective tools to channel investments to projects that have demonstrated climate benefits and thereby contribute to the achievement of the Paris Climate Agreement and the United Nations' Sustainable Development Goals ("UN SDGs"). The proceeds from the issuance of each Green Debt Instrument will be used to finance or re-finance, in part or in full, new or existing green projects ("Eligible Green Projects") from various group brands falling within one of the eligible categories detailed above. Volkswagen defines the individual elements of the Eligible Green Projects as "Eligibility Criteria".

Second-Party Opinion Volkswagen Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the Volkswagen Green Finance Framework is credible and impactful and aligns with the four core components of the ICMA Green Bond Principles 2018 and LMA Green Loan Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds is aligned with those recognized by the Green Bond Principles and Green Loan Principles. Sustainalytics considers that Clean Transportation will lead to positive environmental impacts and advance the UN Sustainable Development Goals 9 and 11.



PROJECT EVALUATION / SELECTION Volkswagen's Green Finance Committee (GFC) will evaluate and select the eligible green projects to approve whether the projects are aligned with the Framework. The GFC is comprised of cross-functional representatives from Group Treasury, Sustainability Department, Group Accounting, Group Controlling, Group Legal and business units developing eligible projects. This process is in line with market practice.



MANAGEMENT OF PROCEEDS Volkswagen will allocate the proceeds to an Eligible Green Project Portfolio. Volkswagen will track expenditure and development costs using internal reporting systems. Pending full allocation or reallocation, the unallocated proceeds will be invested in cash or other liquid marketable instruments. This process is in line with market practice.



REPORTING Volkswagen intends to annually publish allocation and impact reporting of proceeds on the Volkswagen Group's website until full allocation. Allocation reporting will include the balance of allocated and unallocated proceeds as well as the number of new and existing projects. In addition, impact reporting will disclose data of CO2 emissions avoided in the use and production phases, along with the description of the green projects and results of Life Cycle Assessment. Sustainalytics views Volkswagen's allocation and impact reporting plans to be aligned with market practice.

Evaluation date	March 2020
Issuer Location	Wolfsburg, Germany

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Two major issuances under the first framework - Current Green Project Portfolio

Eligible Green Project Portfolio¹ (in EUR bn)

ICMA Category ³	2017	2018	2019	2020
Clean Transportation	0.26	0.74	1.11	1.49
Thereof:				
Projects related to the manufacture of electric vehicles	0.26	0.74	1.11	1.49
Total (2017-2020)⁴				3.60 ✓

Outstanding Green Debt Instruments² (in EUR bn)

ISIN	Issuance Date	Due Date	Principal Amount
XS2234567233	09-23-2020	09-22-2028	1.25 
XS2234567662	09-23-2020	09-23-2032	0.75 
XS2491738352	06-21-2022	03-28-2025	0.75 
XS2491738949	06-21-2022	09-28-2027	0.75 
Total			3.50

Eligible Green Project Portfolio Unallocated

EUR 0.10bn

Percentage of Eligible Green Project Portfolio Allocated (coverage)

97%

Percentage of Proceeds of Green Finance Instruments allocated to Eligible Green Project Portfolio

100%

The amount or number of new versus existing investments and/or projects⁵

0% vs. 100%

All figures shown in the report are rounded, minor discrepancies may arise from addition of these amounts

1 as defined in the Volkswagen Green Finance Framework, March 2020

2 per June 30, 2022, issued by Volkswagen International Finance N.V. and unconditionally and irrevocably guaranteed by Volkswagen AG

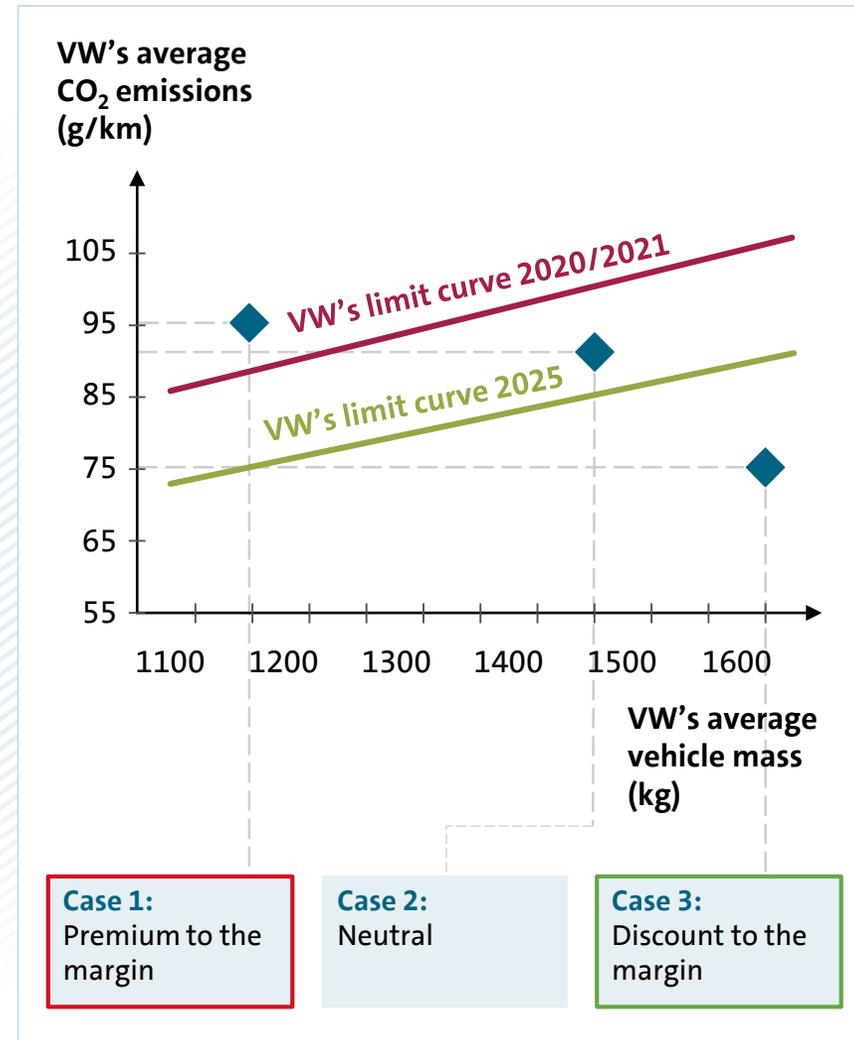
3 International Capital Market Association: Green Bond Principles

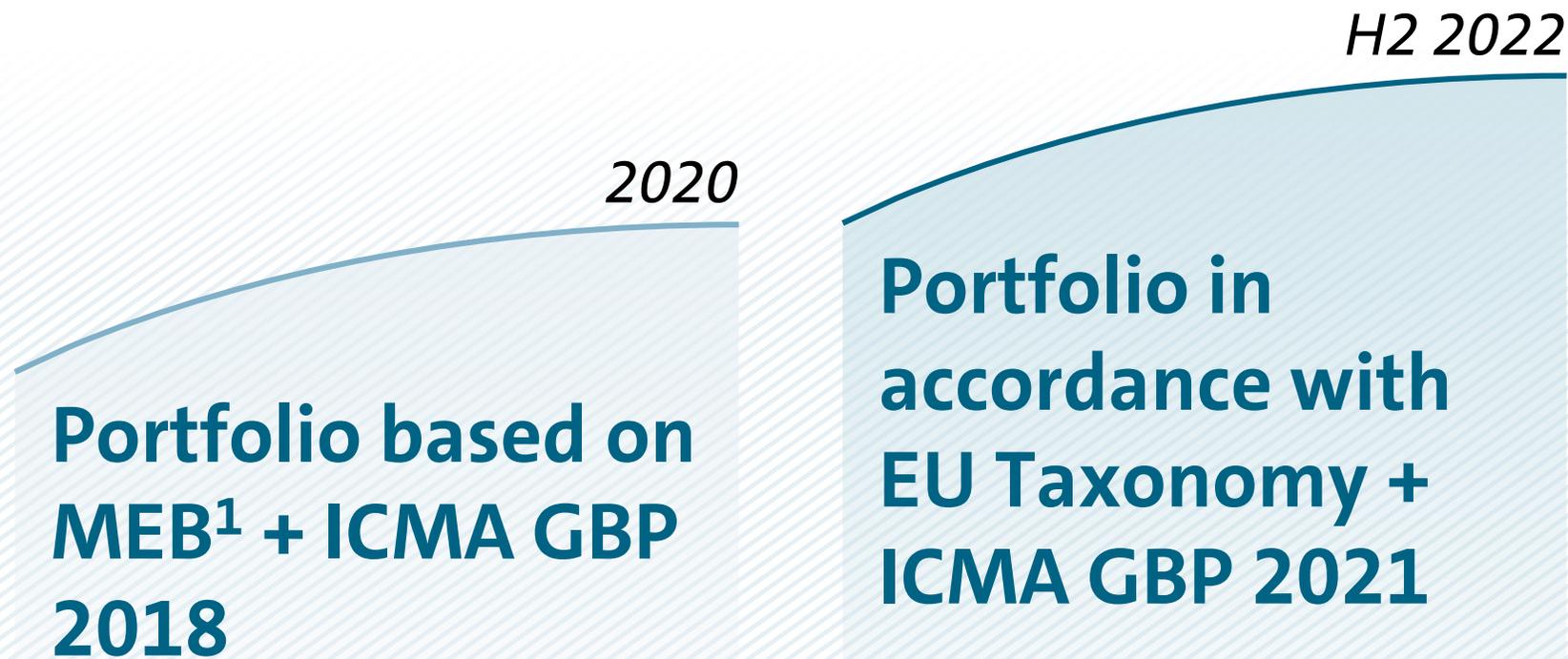
4 for the period from January 1, 2017 to December 31, 2020

5 New projects refer to the projects that have been disbursed in the year of issuance

Volkswagen AG's first Sustainability Linked Loan

<p>Facility type, amount and tenor</p>	<ul style="list-style-type: none"> Sustainability Linked Loan of 1.8 bn € with a tenor of 3 years (2021 – 2024)
<p>Facility purpose</p>	<ul style="list-style-type: none"> General Corporate Purposes
<p>KPI and interest rate adjustments</p>	<p>Average CO₂ emissions of Volkswagen fleet of new passenger cars sold during a given fiscal year in the EU member countries, based on Worldwide harmonized Light vehicles Test Procedures (“WLTP”) and measured and calculated as defined in the Regulation (EU) 2019/631.</p> <ul style="list-style-type: none"> Negative interest adjustment in case the KPI is above the target set by the European Environment Agency (“EEA”) for Volkswagen and the respective year. No adjustment in case the KPI is less than 15% below the target set by the EEA for Volkswagen and the respective year. Positive interest adjustment in case the KPI is minimum 15% lower than the target set by the EEA for Volkswagen and the respective year.





¹ Investments in, expenditures for and/or costs for conception, infrastructure, development and construction of the Modular Electrification Toolkit (MEB) itself, of electric vehicles and their production equipment and tools, supplier tools and systems and their key components, such as batteries, all related to the MEB.

Volkswagen reports on EU taxonomy alignment of its economic activities voluntarily - ahead of required implementation



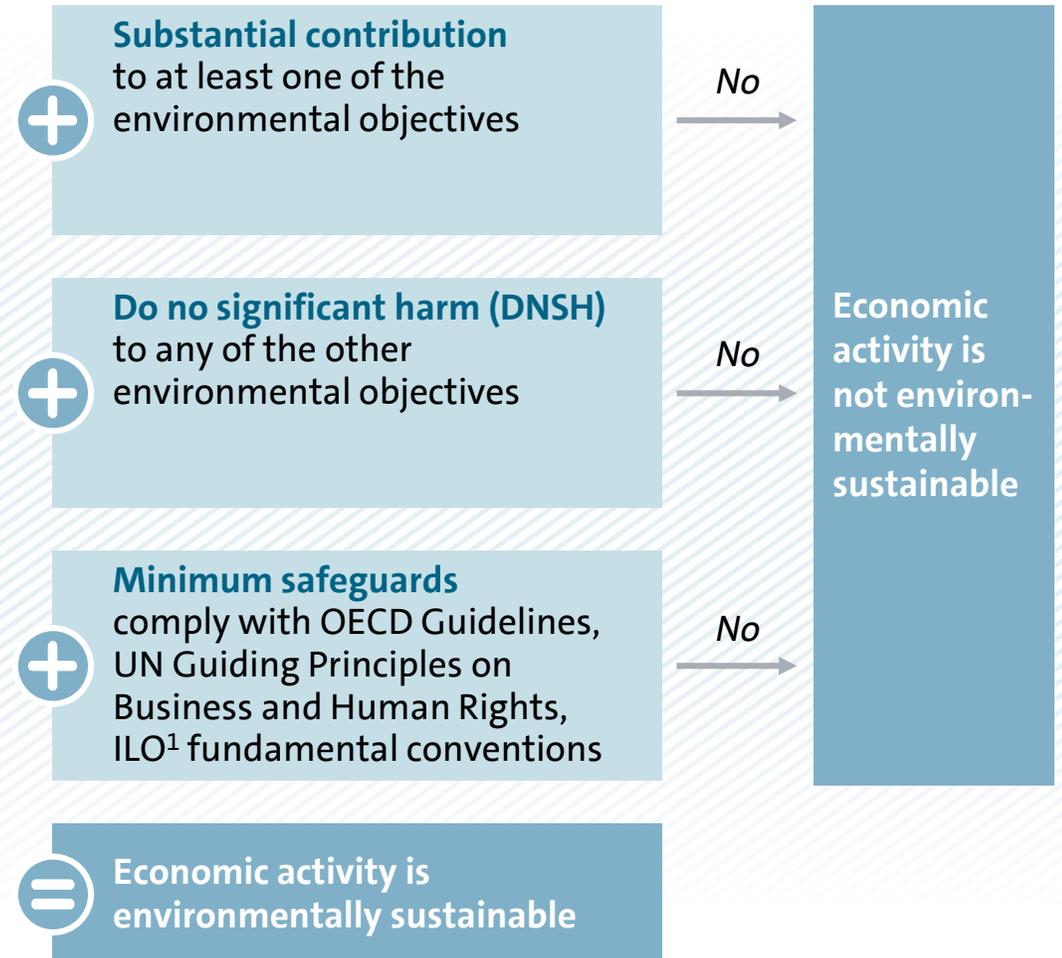
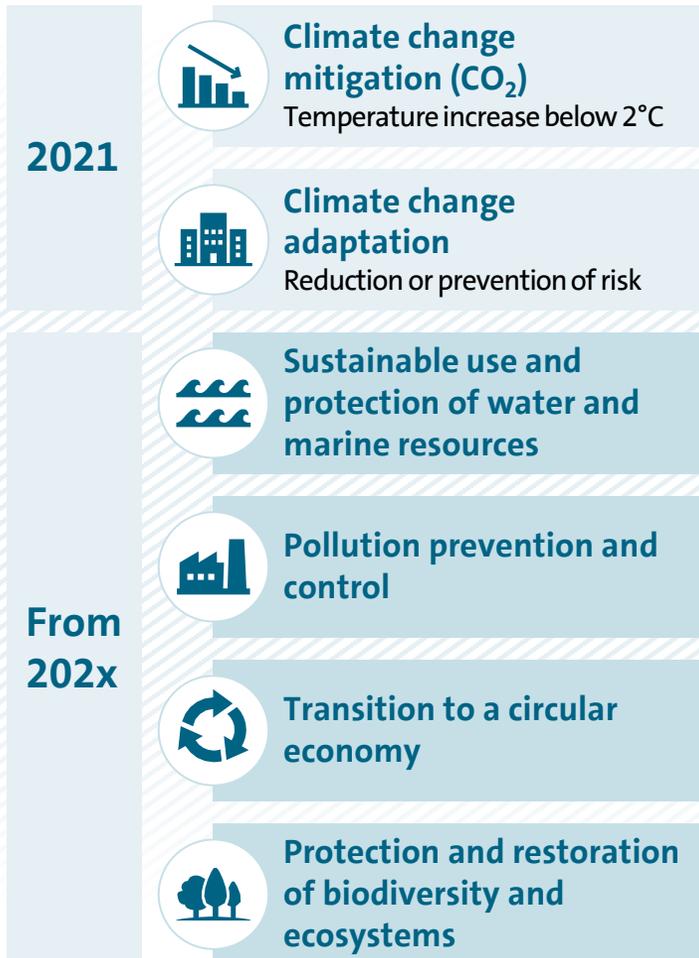
- EU taxonomy at **heart of the EU's action plan on sustainable finance**
- Companies must report on **environmentally sustainable contribution** of their economic activities by **sales revenue, capital expenditure and operating expenditure**
- Volkswagen **only company in the sector, and one of only few across all sectors** to report on EU taxonomy alignment voluntarily
- All Volkswagen disclosures relating to EU taxonomy have been **audited to provide reasonable assurance**

Environmentally sustainable economic activity under the Taxonomy Regulation

Environmental objective

Economic activity

Criteria



taxonomy-aligned

1 ILO - International Labor Organization

New EU taxonomy aligned portfolio - Extract from the Annual Report for 2021

Capital expenditure

Economic activities	CAPITAL EXPENDITURE		SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION		COMPLIANCE WITH DNSH CRITERIA	COMPLIANCE WITH MINIMUM SAFEGUARDS	TAXONOMY-ALIGNED CAPITAL EXPENDITURES	
	€ million	% ¹	€ million	% ¹	Y/N	Y/N	€ million	% ¹
A. Taxonomy-eligible activities	53,596	99.2	14,437	26.7	Y/N	Y	14,165	26.2
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	53,531	99.1	14,437	26.7	Y/N	Y	14,165	26.2
of which additions to capitalized development costs for BEVs (passenger cars and light commercial vehicles)	–	–	–	–	Y	Y	3,504	6.5
of which additions to property, plant and equipment for BEVs (passenger cars and light commercial vehicles)	–	–	–	–	Y	Y	3,760	7.0
Power Engineering								
3.2 Manufacture of equipment for the production and use of hydrogen	–	–	–	–	–	–	–	–
3.6 Manufacture of other low-carbon technologies	65	0.1	–	–	–	–	–	–
9.1 Close to market research, development and innovation	–	–	–	–	–	–	–	–
B. Taxonomy-non-eligible activities	443	0.8						
Total (A + B)	54,039							

1 All percentages relate to the Group's total capital expenditure

Sustainable Financing becomes part of our DNA



We believe that Green Debt Instruments are effective tools to channel investments to projects that demonstrate climate benefits and thereby contribute to the achievement of the Paris Climate Agreement and the United Nations’ Sustainable Development Goals (“UN SDGs”).

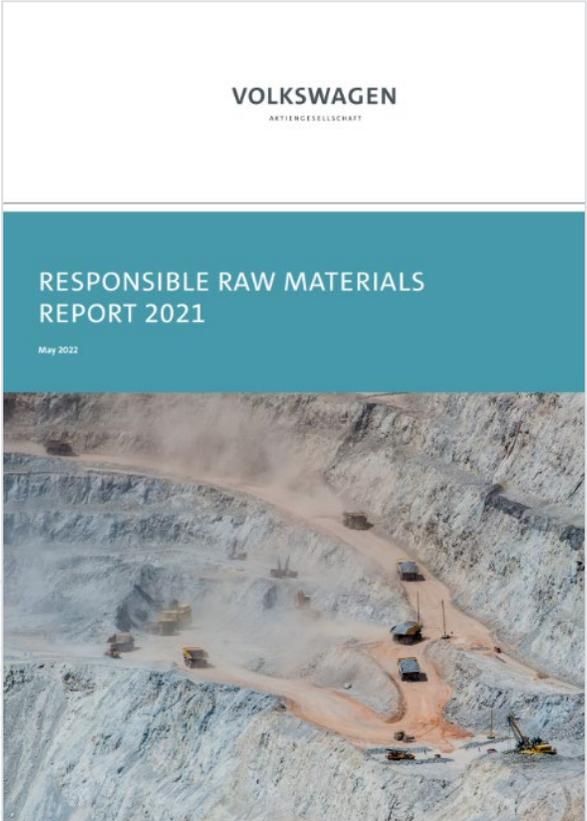
We target to increase the use of Green Debt Instruments in the coming years significantly. All our future Green Bond transactions will (re-) finance our EU taxonomy aligned capital expenditures.

We want to stay in regular contact and exchange with you – our investors – on further developments in the field of sustainable and green debt instruments. We appreciate the dialogue with you and have the clear ambition to match or exceed your expectations.

ESG relevant reports & sources of information



www.volkswagenag.com > sustainability > reporting

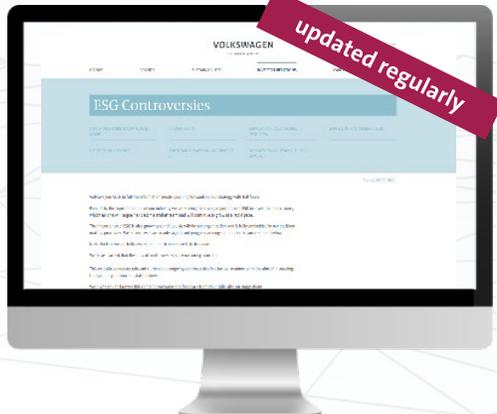


www.volkswagenag.com/presence/nachhaltigkeit/documents/supply-chain/Volkswagen-Group-Responsible-Raw-Materials-Report-2021.pdf

“The Green Finance Framework consistently links our corporate objective of carbon neutrality in 2050 with our financing strategy.”



Green Finance Report
www.volkswagenag.com > investor relations > fixed income > green finance *



www.volkswagenag.com > Investor Relations > Corporate Governance > ESG Controversies