Volkswagen Financial Services AG
Green Finance Framework

August 2026

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1. Sustainability at Volkswagen Group

Volkswagen AG is the parent company of the Volkswagen Group. It develops vehicles and components for passenger cars and light commercial vehicles for the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands. In its capacity as parent company, Volkswagen AG holds direct or indirect interests in AUDI AG, SEAT S.A., ŠKODA AUTO a.s., Dr. Ing. h.c. F. Porsche AG (Porsche AG), TRATON SE, Volkswagen Financial Services AG[1], Volkswagen Financial Services Overseas AG[2] and a large number of other companies in Germany and abroad.

The Group's business activities comprise the Automotive and Financial Services divisions. Our core brands within the Automotive Division – with the exception of the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands – are independent legal entities. The Automotive Division comprises the Passenger Cars, Commercial Vehicles and Power Engineering business areas. The Passenger Cars Business Area essentially consolidates the Volkswagen Group's passenger car brands and the Volkswagen Commercial Vehicles brand. Activities focus on the development of vehicles, engines and vehicle software, the production and sale of passenger cars and light commercial vehicles, and the genuine parts business. The product portfolio extends from small cars through to luxury vehicles in the premium segment. It also includes motorcycles and is supplemented by mobility solutions. The Commercial Vehicles Business Area primarily comprises the development, production and sale of trucks and buses, the corresponding genuine parts business and related services. The commercial vehicles portfolio ranges from light vans to heavy trucks and buses. The collaboration between the commercial vehicle brands is coordinated within TRATON SE. The Power Engineering Business Area combines the large bore diesel engines, turbomachinery and propulsion components businesses. The Financial Services Division's activities comprise dealer and customer financing, vehicle leasing, direct banking and insurance activities, fleet management and mobility services.

With "The Group Strategy – Mobility for generations", which was rolled out in 2024, we are tackling the challenges facing the automotive industry worldwide. Our vision is to be The Global Automotive Tech Driver. Fast-moving global megatrends, rapid technological advances, changes in customer requirements and, last but not least, the macroeconomic and political climate and regulatory framework are presenting the automotive industry with historic challenges. Artificial intelligence is creating opportunities that were not even conceivable until recently and bringing about change in nearly all industries and walks of life. Society and its values are also in a state of flux. Awareness of our planet and how our way of life is impacting on it is becoming increasingly important.

Against this backdrop, we scrutinized our own direction in fiscal year 2024 and developed "The Group Strategy – Mobility for generations". This new Group strategy addresses important topics from previous strategies and takes these to the next level.

The first step entailed formulating the main requirements and overarching targets for the strategy. They include resilience, so that we position our global business robustly in times of geopolitical tensions; adaptivity, so that we have the capacity to respond quickly to changes in the course of the transformation of the mobility industry; and financial robustness, so that we can finance the necessary investments in product innovations.

Sustainability is an integral part of our Group strategy. We are providing important and goal-oriented new impetus with our regenerate+ Group sustainability strategy presented in the 2024 Annual Report. We want to take a broad and comprehensive approach to sustainability – environmentally, socially and economically. To this end, we will seek to work in partnership with all our stakeholders in order to learn and further improve.

The Group sustainability strategy regenerate+ applies to the entire Volkswagen Group – i.e. to the Group departments, to all the brands, and to subsidiaries. This is how we comprehensively address our products, services, and stakeholders, who at brand level also include our customers. We want to use regenerate+ to differentiate ourselves as the Volkswagen Group and, at the same time, enable our brands to position themselves in their specific market environment.

Together, we follow a vision for the Volkswagen Group. Transformation is a process, and we are constantly in motion. The current targets, measures, implementation status and any external assurance relating to regenerate+ are described in the Volkswagen Group's published sustainability reporting which features clear measures in four dimensions: nature, our people, society, and business.

2. Our sustainability mission

Mobility is a fundamental prerequisite for our economic and social development. It enables the exchange of ideas and goods, promotes innovation, and connects people across borders. For many, automotive mobility also represents a sense of freedom and is an indispensable part of daily life, both now and in the future.

The mobility sector is undergoing a period of profound transformation. A new mobility ecosystem is emerging, driven by climate change, geopolitical developments, the rise of electric mobility, and the rapid advancement of digital technologies. Increasing connectivity, intelligent vehicle systems, and the gradual transition toward autonomous driving are fundamentally changing how mobility is conceived, provided, and experienced.

Sustainability, particularly the decarbonization of mobility, is a core aspect of this transformation. The driving forces are the increasingly noticeable effects of climate change, heightened consumer awareness towards sustainable living, and not least, regulatory frameworks.

Volkswagen Financial Services AG is Europe's largest automotive financial and mobility services provider. As a sales enabler within the Volkswagen Group, we play an important role in the transformation of mobility. Our sustainability strategy is aligned with the Group-wide sustainability agenda and reflects the specific requirements of our business model. It is described in our published sustainability reporting, to which reference is made. It deliberately builds on the Volkswagen Group's **"regenerate +"** sustainability strategy, ensuring that our activities are consistent with the Group's overarching goals while reflecting the specific requirements of our own business model.

Our mission is to meet our customers' mobility needs. Within the scope of this Framework, this includes financing and leasing solutions for vehicles with zero tailpipe emissions.

Sustainability is thus an important element of our business activity. We are convinced that we can only successfully implement our business model in the future through responsible and forward-thinking actions.

3. VW FS AG Group - Green Finance Framework

Volkswagen Financial Services AG has established a Green Finance Framework (the '**VW FS AG Framework**') that is based on the 2025 International Capital Market Association's Green Bond Principles (the '**GBP**') and the 2025 Green Loan Principles (the '**GLP**'), jointly published by the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association.

This Framework provides VW FS AG with a common methodology for the issuance of "**Green Finance Instruments**". Different entities within the VW FS AG group, including consolidated subsidiaries and special purpose vehicles used for asset-backed financings originated by VW FS AG Group will be able to issue securities under the VW FS AG Framework.

VW FS AG Group's Green Finance Instruments may include but are not limited to unsecured and secured bonds (covered or asset-backed), commercial papers, Schuldscheindarlehen, bi- and multilateral bank loans, deposits and can be of any status or seniority. Any Green Finance Instrument will rank *pari passu* with conventional instruments of similar status and subordination.

The VW FS AG Framework may be further updated or expanded from time to time to reflect future updates to the GBP, market practices, the evolving regulatory landscape or developments in VW FS AG's strategy.

The VW FS AG Framework consists of the following core components of the GBP and GLP, which are described in more detail below:

3.1 Use of Proceeds

3.2 Process for Project Evaluation and Selection

3.3 Management of Proceeds

3.4 Reporting

3.5 External Review

3.1 Use of Proceeds

An amount equal to the proceeds of any Green Finance Instrument issued by the VW FS AG Group will be used to finance and/or refinance projects[1] ('**Eligible Financings'**) relating to zero-tailpipe emission mobility as eligible project category, as defined below (the "**Eligibility Criteria**"). VW FS AG can determine which entities of VW FS AG Group will facilitate the issuance of a Green Finance Instrument and against which Eligible Financings proceeds may be allocated towards on a gradual, instrument-by-instrument basis. The selection of Eligible Financings can, for example, be qualified or restricted in order to underline efforts in specific regions or product groups.

Definition	EU Environmental Objective	SDG[2] Contribution
Eligible Financings relate to any vehicle with zero-tailpipe emissions	**Climate Change Mitigation**	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION

[1] Example projects include acquisitions of vehicles for the purpose of our leasing business or loans to customers
[2] Sustainable Development Goal (SDG)

Exclusion Criteria: As Eligible Financings under this Framework, VW FS AG explicitly excludes financing of internal combustion engine vehicles (including plug-in hybrids).

VW FS AG exclusively captures projects related to the financing of zero-tailpipe emission vehicles. Such vehicles produce no CO2 or pollutant emissions from the tailpipe during the use phase. This characteristic relates to the use phase only and does not constitute a statement regarding the emissions or other environmental impacts arising over the full life cycle of the vehicle. Volkswagen AG has a separate Green Finance Framework which focuses on capitalized development costs as well as investments into Volkswagen's production capabilities for passenger BEVs, therefore, providing the industrial basis for the transformation of mobility at scale.

However, Volkswagen AG will not capture individual vehicles under its eligible asset categories which are, to the extent financing is provided to our customers, the purview of VW FS AG under this Framework. Both Frameworks jointly represent the Volkswagen Group's ambition to lead the transformation of mobility, while still recognizing the distinct projects underlining the contribution of Volkswagen AG and VW FS AG.

3.2 Process for Project Evaluation and Selection

VW FS AG has established a process to screen projects that meet the Eligibility Criteria outlined above with the goal to identify Eligible Financing. The criteria are intended to support the allocation of proceeds by reference to the environmental objective of climate change mitigations

Responsible for oversight and implementation is a newly established VW FS AG Green Finance Committee ('**VW FS AG GFC**'). Critical business areas such as treasury, investor relations, reporting, sustainability and controlling are represented in the VW FS AG GFC. Main responsibilities of the VW FS AG GFC include but are not limited to:

1. Approval of the allocation of pre-selected Eligible Financings to a Green Finance Instrument of VW FS AG (the VW FS AG GFC has full discretion to object to the inclusion of any financing).
2. Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements. VWFS may rely on external sources, in addition to its own assessment.
3. Reviewing the content of the VW FS AG Framework and updating it to reflect changes in corporate strategy, technology, market, or regulatory developments, having regard to the environmental objective of climate change mitigation and to the reduction of tailpipe emissions from the financed vehicles.
4. Observation of the developments in the principles and standards relating to Green Finance Instruments including the potential adoption of the European green bond standard and developing market conventions as well as assessment of potential implications for the VW FS AG Framework.
5. Monitoring internal processes to identify mitigants to known material risks of negative social and/or environmental impacts associated with the Eligible Financings. Such mitigants may include clear and relevant trade-off analysis undertaken and monitoring required where the issuer assesses the potential risks to be meaningful.
6. Initiating the update of non-Group documents such as second party opinion ("SPO") and related documents from external consultants.

The VW FS AG GFC may allow permanent or temporary observers and invite internal and external experts, although none of these constituents will be present at a vote in the GFC. The committee will meet at least on an annual basis.

VW FS AG has decided not to report detailed taxonomy information making use of the option provided by Art. 7 (9) Delegated Regulation (EU) 2021/2178 to financial undertakings, as amended.[3] As a consequence, no activities of VW FS AG are claimed as being associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 (Taxonomy Regulation).

The above decision has not changed VW FS AG's efforts with regard to the inclusion of Eligible Financings after assessing the below steps:

[3] See Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Commission Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives.

1. The financing relates to zero-tailpipe emission vehicles

2. The vehicles adhere to the environmental standards of the Volkswagen Group. In addition, the below assessment will be conducted:

- Vehicles comply with Directive 2005/64/EC and are reusable or recyclable to a minimum of 85% by weight.
- Vehicles comply with the Euro 6 light-duty emission type-approval as set out in accordance with Regulation (EC) No 715/2007 and with the emission thresholds for clean light-duty set out in Table 2 of the Annex to Directive 2009/33/EC
- Vehicles comply with Regulation (EU) No 540/2014 on the sound level of motor vehicles and of replacement silencing systems

3. VW FS AG has adopted policies and due-diligence processes that refer to the German Supply Chain Due Diligence Act. Further information on the scope and implementation of these processes is available on the following webpage.

https://www.vwfs.com/sustainability/integrity-and-compliance/human-rights.html

3.3 Management of Proceeds

An amount equal to the net proceeds of each Green Finance Instrument issued under the VW FS AG Framework will be allocated to Eligible Financings earmarked for the respective instrument[4] (bond-by-bond approach). Pending full allocation, VW FS AG will temporarily manage any unallocated proceeds in line with its treasury policy.

The speed of this allocation process depends on and will reflect both market development and Volkswagen Group's efforts as well as those of VW FS AG's partners under its multi-brand approach with respect to the sales of BEV. A look-back period of 24 months will be applied.

VW FS AG may keep Eligible Financings directly on its consolidated balance sheet with any of its subsidiaries without any legal segregation but will also retain the right to include Eligible Financings which have been used, are used, or may be used at some point for asset-backed securities.

Generally, identifying Eligible Financings and allocating them to a Green Finance Instrument is a mere designation and does not imply any change in ownership, pledge or lien for the benefit of third parties and is a process independent from the allocation of any financial assets as collateral for any covered or asset backed securities.

3.4 Reporting

VW FS AG will publish annually until full allocation an allocation and impact report. Such reports can include the allocation and impact of several outstanding Green Finance Instruments, however, displayed separately. The reports follow the recommendations of the ICMA 'Harmonised Framework for Impact Reporting'.[5] Where individual metrics cannot be reported in the recommended granularity because the underlying data is not available, or because of confidentiality undertakings, VW FS AG will disclose the metric on an aggregated basis. Furthermore, information regarding the identification, measurement, and monitoring of ESG risk during the financing / leasing process is described in the annual report.

Allocation Report:

The allocation report will contain (not limited to):

[4] When identifying Eligible Financings, VW FS AG flags the respective underlying vehicle as used for a particular Green Finance Instrument in its internal system and makes any subsequent financial asset relating to the vehicle ineligible to be used for a subsequent Green Finance Instrument for VW FS AG. This intends to prevent double counting. The Eligible Financings are treated as static, once the vehicles are financed and depreciation or replenishment of assets is not taken into account.
[5] https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects/

1. The balance of allocated and unallocated proceeds
2. Amount of Eligible Financing recorded per financial year
3. Regional split

Impact Report:

The impact report may contain (not limited to):

1. Number of BEVs financed which are allocated to outstanding Green Bonds
2. When and where feasible, examples of Life Cycle Assessments (“LCA”) which estimate the environmental performance of a vehicle of a specified type and model year over its complete life cycle; to the extent and relating to those vehicles, and respective model year, as available to VW FS and its parent and externally verified

Life-cycle emissions (tCO2) resulting from the specified LCA and, where available, life-cycle emissions (tCO2) of an internal combustion engine vehicle of the same vehicle segment and model year, provided that both figures have been determined using the same methodology and the same system boundaries. Any such comparison is a model-based estimate prepared for reporting purposes. It reflects the assumptions disclosed in the relevant report and does not constitute a representation as to the emissions actually caused or avoided in any individual case.

3.5 External Review

Second Party Opinion

VW FS AG has obtained an independent second-party opinion (SPO) from ISS ESG to confirm alignment of its Green Finance Framework with GBP and GLP. The independent SPO is published on VW FS AG’s investor relation website Refinancing (vwfs.com) and is also available on the website of the external reviewer ISS ESG.

Assurance

In order to ensure sustained compliance of all issued Green Financing Instruments with the methodology set out in this VW FS AG Framework, VW FS AG may appoint an external verifier to produce a verification report on the allocation of the proceeds once full allocation is achieved.

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