

Report of the Supervisory Board

(in accordance with section 171(2) of the AktG)

Ladies and gentlemen,

In fiscal year 2021, the work of the Supervisory Board of Volkswagen AG and its committees focused on the Volkswagen Group's strategic direction. The Supervisory Board regularly deliberated on the Company's position and development in the reporting period. We supervised and supported the Board of Management in its running of the business and advised it on issues relating to the management of the Company in accordance with our duties under the law, the Articles of Association and the rules of procedure. We also observed the relevant recommendations and suggestions of the German Corporate Governance Code (the Code) at all times. The Supervisory Board was directly involved in all decisions of fundamental importance to the Group. Additionally, we discussed strategic considerations with the Board of Management at regular intervals.

The Board of Management complied with its disclosure obligations, which are set out in the information policy adopted by the Supervisory Board in 2018. The Board of Management provided us with information regularly, promptly and comprehensively both in writing and orally, particularly on all matters of relevance to the Company relating to its strategy, business development and the Company's planning and position. This also included the risk situation and risk management. In this respect, the Board of Management also informed the Supervisory Board of further improvements to the risk and compliance management systems. In addition, the Supervisory Board received information about compliance and other topical issues from the Board of Management on an ongoing basis. We received the documents relevant to our decisions in good time for our meetings. At regular

intervals, we also received a detailed report from the Board of Management on the current business position and the forecast for the current year. Any deviations in performance from the plans and targets previously drawn up were explained in detail by the Board of Management, either in person or in writing. Together with the Board of Management we analyzed the reasons for the deviations and determined corresponding countermeasures. In particular, the Board of Management reported in detail and in a timely manner on the impact of the Covid-19 pandemic and the semiconductor supply situation and explained the measures that had been taken.

In addition, the Chair of the Supervisory Board consulted with the Chair of the Board of Management at regular intervals between meetings to discuss important current issues. These included the Group's strategy and planning, its business development, and the risk situation and risk management, including integrity and compliance issues in the Volkswagen Group. Within reason, the Chair of the Supervisory Board discussed Supervisory Board-specific topics with investors and, in consultation with the Board of Management, also non-Supervisory Board-specific topics. Governance issues were one focus of the discussions. The Chair of the Supervisory Board informed the Supervisory Board of such discussions after they had taken place.

The Supervisory Board held a total of ten meetings in fiscal year 2021. The average attendance rate was 89.7%. In addition, resolutions on particularly urgent matters were adopted in writing or by using electronic communications media. The challenges and restrictions resulting from the Covid-19 pandemic again necessitated additional flexibility for the meetings of the Supervisory Board in fiscal year 2021. More-

over, the pandemic entailed travel and contact restrictions, especially for those members of the Supervisory Board who live outside Germany, and made additional demands of those members of the Supervisory Board who also hold special roles in industry and politics. Nevertheless, all members of the Supervisory Board except for Dr. Al Abdulla attended over half of the meetings of the Supervisory Board and the committees of which they are members. Supervisory Board members who could not attend a meeting were able to engage with the meeting topics using the preparatory documents.

COMMITTEE ACTIVITIES

In order to discharge the duties entrusted to it, the Supervisory Board has established four committees: the Executive Committee, the Nomination Committee, the Mediation Committee established in accordance with section 27(3) of the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act) and the Audit Committee. The Executive Committee is comprised of four shareholder representatives and four employee representatives. The shareholder representatives on the Executive Committee make up the Nomination Committee. The Audit Committee and the Mediation Committee are each composed of two shareholder representatives and two employee representatives. The members of these committees as of December 31, 2021 are stated in the Group Corporate Governance Declaration.

The Executive Committee met twelve times in the reporting period. At its meetings, the Executive Committee meticulously prepared the resolutions of the Supervisory Board, discussed the composition of the Board of Management and took decisions on matters such as contractual issues concerning the Board of Management other than remuneration, and consent to ancillary activities by members of the Board of Management.

The Nomination Committee is responsible for proposing suitable candidates for the Supervisory Board to recommend for election to the Annual General Meeting. This committee met on one occasion in 2021.

During the reporting year, the Mediation Committee established in accordance with section 27(3) MitbestG was not required to convene formally in the exercise of its statutory duties. However, in October 2021, the Supervisory Board entrusted the Mediation Committee with the additional task of developing a proposal for the future structure of areas of responsibility within the Board of Management and possible

changes to the composition of the Board of Management. To this end, the Mediation Committee established in accordance with section 27(3) MitbestG met six times during the reporting year.

The Audit Committee held four meetings in 2021. It focused on the annual and consolidated financial statements, the Risk Management System including the effectiveness of the Internal Control System and the Internal Audit System, and the work performed by the Company's Compliance organization. In addition, the Audit Committee concerned itself with the Volkswagen Group's quarterly reports and the half-yearly financial report, as well as with current issues, the supervision of financial reporting and the financial reporting process, and the examination thereof by the auditors.

A further committee formed by the Supervisory Board is the Special Diesel Engine Committee, which was in existence from October 2015 to December 2021. Comprised of three shareholder representatives and three employee representatives, the Special Diesel Engine Committee was responsible for supporting the investigations in connection with the manipulation of emissions figures for Volkswagen Group diesel engines and preparing Supervisory Board resolutions for necessary measures at Supervisory Board level. To this end, the Special Diesel Engine Committee was provided with regular information by the Board of Management. The Chair of the Special Diesel Engine Committee reported regularly on the Committee's work to the Supervisory Board. The tasks of the Special Diesel Engine Committee were essentially completed by the end of December 2021: the Supervisory Board has completed its investigations into the diesel issue as far as the civil liability of the members of the boards are concerned. In light of this situation, the Supervisory Board dissolved the Special Diesel Engine Committee with effect from the end of December 31, 2021. Any measures connected with the diesel issue to be addressed in the future will be discussed directly by the full Supervisory Board and prepared by the Executive Committee. The Board of Management will also report to the Executive Committee or to the full Supervisory Board on current developments in connection with the diesel issue in future. In 2021, the Special Diesel Engine Committee met on two occasions to discuss, among other things, a report from the Board of Management on the state of affairs with respect to the diesel issue as well as the latest developments in the consumer action for model declaratory judgment brought by the *Verbraucherzentrale Bundesverband* (Federation of Consumer Organizations) and in various other legal proceedings.



Hans Dieter Pötsch

Furthermore, the shareholder and employee representatives generally met for separate preliminary discussions before each of the Supervisory Board meetings.

In connection with their seat on the Supervisory Board, members of the Supervisory Board receive support from the Company upon induction as well as with respect to education and training; the Company particularly supports the organization of seminars and bears the costs thereof. During the reporting year, for example, the members of the Supervisory Board participated in training on the amendments to the *Finanzmarktstabilisierungsgesetz* (German Financial Market Stabilization Act), on amendments to the remuneration report in accordance with the *Gesetz zur Umsetzung der Aktionärsrechte-Richtlinie* (German Act Implementing the Shareholders Rights Directive) and on developments in the field of sustainability reporting. In addition, the members of the Audit Committee received training on selected accounting issues and regulatory developments. Supervisory Board members appointed for the first time are also provided with a detailed introduction to topics that apply specifically to the Supervisory Board of Volkswagen AG.

TOPICS DISCUSSED BY THE SUPERVISORY BOARD

The first Supervisory Board meeting of the reporting year took place on February 26, 2021. Following a detailed examination, we approved the consolidated financial statements and the annual financial statements of Volkswagen AG for 2020 prepared by the Board of Management. We examined the combined management report, the combined separate nonfinancial report for 2020 and the precautionary Report by the Board of Management on Relationships of Volkswagen AG with Affiliated Companies in accordance with section 312 of the AktG (dependent company report). Upon completion of our examination of the dependent company report, we came to the conclusion that there were no objections to be raised to the concluding declaration by the Board of Management in the dependent company report. Other agenda items included the current state of affairs with respect to the diesel issue and financing measures at the Volkswagen Group. We also discussed the establishment of joint ventures by Bugatti and Rimac to develop, manufacture and sell hyper sports cars, and by Sitech and Brose to develop and manufacture complete seat units, seat structures and components, and solutions for the vehicle interior.

At the next meeting of the Supervisory Board, which was held from March 24 to 26, 2021, including breaks, we focused on the report concerning the liability of members of the Board of Management of Volkswagen AG in connection with the diesel issue and on the resolution concerning the possible assertion of claims against members of the Board of Management.

On May 8, 2021, the Supervisory Board met to discuss, in particular, the merger squeeze-out at MAN SE.

The agenda of the Supervisory Board meeting on June 5, 2021, included discussion of the composition of the Board of Management and Supervisory Board of Volkswagen AG, the conclusion of liability settlements with former members of the Board of Management, the conclusion of a coverage settlement with the D&O insurers in connection with the diesel issue, and also the agenda for the 61st Annual General Meeting of Volkswagen AG, especially the resolutions proposed by the Supervisory Board.

The Supervisory Board convened for its next meeting on July 9, 2021. As well as discussing the composition of the Board of Management of Volkswagen AG, we concerned ourselves particularly with the new Group strategy, NEW AUTO.

The next meeting of the Supervisory Board took place following the Annual General Meeting of Volkswagen AG on July 22, 2021; we discussed the composition of the Supervisory Board of Volkswagen AG and analyzed the Annual General Meeting.

At the meeting of the Supervisory Board on July 28, 2021, we discussed the takeover offer for the shares of Europcar Mobility Group S.A.

The following table shows the number of meetings of the full Board and the committees as well as the individual participation of the members of the Supervisory Board in 2021:

	Meetings of the full Supervisory Board	Meetings of the Committees
Hans Dieter Pötsch	9 out of 10	18 out of 19
Jörg Hofmann	9 out of 10	18 out of 18
Dr. Hussain Ali Al Abdulla	4 out of 10	–
Dr. Hessa Sultan Al Jaber	6 out of 10	–
Dr. Bernd Althusmann	9 out of 10	0 out of 2
Kai Bliesener (until March 31, 2021)	2 out of 2	–
Matías Carnero Sojo (since April 1, 2021)	7 out of 8	–
Daniela Cavallo (since May 11, 2021)	7 out of 7	15 out of 15
Dr. Hans-Peter Fischer	10 out of 10	–
Marianne Heiß	10 out of 10	4 out of 4
Ulrike Jakob	10 out of 10	–
Dr. Louise Kiesling	8 out of 10	–
Peter Mosch	10 out of 10	16 out of 16
Bertina Murkovic	10 out of 10	14 out of 14
Bernd Osterloh (until April 30, 2021)	2 out of 2	5 out of 5
Dr. Hans Michel Piëch	10 out of 10	13 out of 13
Dr. Ferdinand Oliver Porsche	10 out of 10	6 out of 6
Dr. Wolfgang Porsche	9 out of 10	14 out of 15
Jens Rothe (since October 22, 2021)	2 out of 2	–
Conny Schönhardt	10 out of 10	4 out of 4
Athanasios Stimoniariis (until August 31, 2021)	6 out of 7	–
Stephan Weil	6 out of 10	18 out of 19
Werner Weresch	9 out of 10	–

The meeting of the Supervisory Board on September 24, 2021 focused particularly on strategic issues.

At its meeting on October 27, 2021, the Supervisory Board prepared the resolution for investment and financial planning for the period from 2022 to 2026.

On December 9, 2021, at the last meeting of the Supervisory Board for the reporting year, we discussed the composition of the Board of Management of Volkswagen AG. We also held in-depth discussions on the Volkswagen Group's investment and financial planning for the period from 2022 to 2026. Another agenda item for the meeting was the current state of affairs with respect to the diesel issue. We also submitted the annual declaration of conformity with the Code together with the Board of Management, amended the diversity concept for the Board of Management, and approved the decision taken by the Board of Management that, in light of the specific circumstances of the pandemic, the Annual General Meeting in 2022 should be held as an online event.

In the reporting period, we voted in writing on matters such as elections to committees, the request for the court appointment of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY) as the auditor for the half-yearly financial report, necessitated by the postponement of the Annual General Meeting for 2021 to July 2021, and consent to ancillary activities by members of the Board of Management.

CONFLICTS OF INTEREST

Mr. Hans Dieter Pötsch was a member of the Board of Management of Volkswagen AG until October 2015. His move to the Supervisory Board had already been planned irrespective of the diesel issue. In order to avoid conceivable conflicts of interest, Mr. Pötsch generally left the meeting room prior to discussions and resolutions adopted by the Supervisory Board that might relate to his conduct in connection with the diesel issue. For this reason, Mr. Pötsch did not participate in the

meeting of the Supervisory Board from March 24 to 26, 2021, at which we discussed the report concerning the liability of members of the Board of Management of Volkswagen AG in connection with the diesel issue and the resolution concerning the possible assertion of claims against members of the Board of Management. Mr. Pötsch also left the room during the meeting of the Supervisory Board on June 5, 2021, when additional information was provided on this topic and, in particular, when the resolution was taken concerning the agenda for the 61st Annual General Meeting of Volkswagen AG and the resolutions proposed by the Supervisory Board.

No other conflicts of interest were reported or were discernible in the reporting period.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

The Supervisory Board meeting on December 9, 2021 focused on the implementation of the recommendations and suggestions of the Code in the Volkswagen Group. We discussed the Code's guidance in detail and issued the annual declaration of conformity with the recommendations of the Code in accordance with section 161 of the AktG together with the Board of Management.

The joint declarations of conformity by the Board of Management and the Supervisory Board are permanently available at www.volkswagenag.com/en/InvestorRelations/corporate-governance/declaration-of-conformity.html. Additional information on the implementation of the recommendations and suggestions of the Code can be found in the Group Corporate Governance Declaration.

In 2020, the Audit Committee agreed a suitable procedure with the Board of Management for ongoing monitoring of the Volkswagen Group's related-party transactions. No disclosures or approval decisions on the part of the Supervisory Board were required for related-party transactions under statutory provisions in the reporting year.

MEMBERS OF THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Mr. Kai Bliesener, Head of Vehicle Construction, and Automotive and Supplier Industry Coordinator at IG Metall, stepped down from the Volkswagen AG Supervisory Board effective March 31, 2021. Mr. Bliesener had been a member of the Supervisory Board since June 20, 2020. The court appointed Mr. Matías Carnero Sojo, Chair of the General Works Council of SEAT, to replace him with effect from April 1, 2021.

Effective May 11, 2021, Ms. Daniela Cavallo was appointed by the court as a replacement member of the Volkswagen AG Supervisory Board. Moreover, the Supervisory Board elected her as a member of the Executive Committee on May 18, 2021. Ms. Cavallo has been the Chair of the General and Group Works Councils of Volkswagen AG since the end of April 2021. She succeeds Mr. Bernd Osterloh as a member of the Supervisory Board and Executive Committee of Volkswagen AG, who resigned his post with effect from April 30, 2021.

The terms of office of Dr. Louise Kiesling and Mr. Hans Dieter Pötsch as members of the Volkswagen AG Supervisory Board duly ended at the close of the 61st Annual General Meeting. The Annual General Meeting elected both for a further full term of office as shareholder representatives on the Supervisory Board. On July 22, 2021, the Supervisory Board of Volkswagen AG reelected Mr. Hans Dieter Pötsch as its Chair and Mr. Jörg Hofmann as its Deputy Chair.

Mr. Athanasios Stimoniaris, former Chair of the Group Works Council of TRATON SE, resigned from his post as a member of the Volkswagen AG Supervisory Board with effect from August 31. Mr. Stimoniaris had been a member of the Supervisory Board since 2015. Mr. Jens Rothe, Chair of the General Works Council of Volkswagen Sachsen GmbH, was appointed by the court to replace him with effect from October 22, 2021.

In December 2020, the Supervisory Board of Volkswagen AG decided to split up the responsibility for Components and Procurement from January 1, 2021, replacing it with two new Board positions: Purchasing and Technology. Effective Jan-

uary 1, 2021, the Supervisory Board appointed Mr. Murat Aksel, previously Board member for Procurement at the Volkswagen Passenger Cars brand, and Mr. Thomas Schmall-von Westerholt, previously Board member for Components at the Volkswagen Passenger Cars brand, as new members of the Board of Management. Mr. Aksel took over responsibility for Purchasing, while Mr. Schmall-von Westerholt became the Board member responsible for Technology.

Dr. Arno Antlitz, previously member of the Board of Management of AUDI AG for Finance and Legal Affairs, took over as the Volkswagen AG Board of Management member responsible for Finance and IT effective April 1, 2021. He succeeded Mr. Frank Witter, who left the Company at his own request effective March 31, 2021. With effect from July 1, 2021, the Finance and IT Board position was divided into two separate Board positions: Finance and IT. Dr. Antlitz was assigned responsibility for Finance, and also held interim responsibility for IT until the appointment of a further member of the Board of Management.

The Supervisory Board resolved in December 2021 to increase the number of members on the Group Board of Management and to reorganize the structure and functions of the Board in this context. A new Board division – Volkswagen Passenger Cars – was established as of January 1, 2022, managed by Mr. Ralf Brandstätter with effect from the same date. Moreover, a new Board division – Group Sales – was established as of February 1, managed by Ms. Hildegard Wortmann with effect from the same date. Ms. Hiltrud Werner's term of office on the Volkswagen AG Board of Management came to an end on January 31, 2022. Responsibility for the Integrity and Legal Affairs division, which she had led, passed to Dr. Manfred Döss with effect from February 1, 2022. Also with effect from February 1, 2022, Ms. Hauke Stars assumed responsibility for the IT Board position, which had been held during the interim by Dr. Antlitz.

Our sincere thanks go to all of the departing members of the Supervisory Board and the Board of Management for their work.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

In line with our proposal, the Annual General Meeting of Volkswagen AG on July 22, 2021 elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY) as auditors and Group auditors for fiscal year 2021. The auditors audited the annual financial statements of Volkswagen AG, the consolidated financial statements of the Volkswagen Group and the combined management report and issued unqualified audit reports in each case.

The Supervisory Board also commissioned EY to conduct an external limited assurance review of the content of the combined separate nonfinancial report for 2021.

In addition, the auditors analyzed the Risk Management System and the Internal Control System, concluding that the Board of Management had taken the measures required by section 91(2) of the AktG to ensure early detection of any risks endangering the continued existence of the Company. The Report on Relationships of Volkswagen AG with Affiliated Companies in accordance with section 312 of the AktG (dependent company report) for the period from January 1 to December 31, 2021 submitted by the Board of Management was also audited by the auditors, who issued the following opinion: "In our opinion and in accordance with our statutory audit, we certify that the factual disclosures provided in the report are correct and that the Company's consideration concerning legal transactions referred to in the report was not unduly high."

The members of the Audit Committee and the members of the Supervisory Board were provided with the documentation

relating to the annual and consolidated financial statements, including the dependent company report, the documentation relating to the combined management report, and also the audit reports prepared by the auditors and the report from EY on the external audit of the content of the combined separate nonfinancial report for 2021 in good time for their meetings both on March 11, 2022. The auditors reported extensively at both meetings on the material findings of their audit and were available to provide additional information. The Chair of the Audit Committee was also in close contact with the auditors, including between the meetings and during preparation for the Audit Committee meetings.

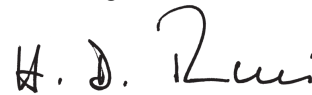
Taking into consideration the audit reports and the discussion with the auditors, and based on its own conclusions, the Audit Committee prepared the documents for the Supervisory Board's examination of the consolidated financial statements, the annual financial statements of Volkswagen AG, the combined management report, the dependent company report and the combined separate nonfinancial report for 2021, and reported on these at the Supervisory Board meeting on March 11, 2022. Following this, the Audit Committee recommended that the Supervisory Board approve the annual and consolidated financial statements. We examined the documents in depth in the knowledge and on the basis of the report by the Audit Committee and the audit report, as well as in talks and discussions with the auditors. We came to the conclusion that the documents are due and proper and that the assessment of the position of the Company and the Group presented by the Board of Management in the combined management report corresponds to the assessment by the Supervisory Board.

We therefore concurred with the auditors' findings and approved the annual financial statements and the consolidated financial statements prepared by the Board of Management at our meeting on March 11, 2022, which the auditors also attended for the agenda items relating to the annual and consolidated financial statements, the dependent company report and the combined management report. The annual financial statements are thus adopted. Upon completion of our examination of the dependent company report, there are no objections to be raised to the concluding declaration by the Board of Management in the dependent company report. We reviewed the proposal on the appropriation of net profit submitted by the Board of Management, taking into account in particular the interests of the Company and its shareholders, and endorsed the proposal. EY conducted an external audit of the content in the combined separate nonfinancial report for 2021 to attain limited assurance and issued an unqualified report. At our meeting on March 11, 2022, EY also took part in the discussions on the agenda items relating to the combined separate nonfinancial report for 2021. Upon completion of its own independent examination of the combined separate nonfinancial report for 2021, the Supervisory Board did not have any objections. We also resolved that, together with the Board of Management, we would prepare the remuneration report for fiscal year 2021. The Executive Committee prepared the resolution of the Supervisory Board concerning the

preparation of the remuneration report. As well as reviewing whether the remuneration report contained all the disclosures required by law, EY went beyond statutory requirements to audit its content and issued an unqualified report.

We would like to offer our thanks and particular appreciation to the Board of Management, the Works Council, the management teams and all the employees of Volkswagen AG and its affiliated companies for their work in 2021. In the face of the major challenges which are still resulting from the Covid-19 pandemic on the one hand, and the difficult supply situation for certain raw materials and components on the other, they all displayed a high level of personal commitment and responsibility in contributing to what was nevertheless a successful year for the Volkswagen Group.

Wolfsburg, March 11, 2022



Hans Dieter Pötsch
Chair of the Supervisory Board